



MAUI SUNSET

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MR. MAUI

Second and Third Quarters 2021

Aloha, Recently I received a deeper understanding of the word. Aloha and what it means beyond a greeting. Wonderful education of the island we love, Maui and where and how it came to be populated. Highly recommend a ride on an outrigger canoe led by Kevin from Hawaiian Ocean Sports out of Wailea. Shameless plug to use our pool side activity desk to book a canoe adventure, suitable for most ages.

Aloha as a way of life to share your life, passion with those around you. To most of us Maui and the Maui Sunset is a home away from home. When we visit we come back to an island and property we love and enjoy sharing with family and friends.

Too many have had to stay home these past 18 months since the global pandemic was declared in March of 2020. Those that have been lucky enough to return have found the island transformed. From empty roads and closed businesses in 2020, to crowded cramped and busy scenes from Summer 2021. Today with a surge Covid and the Governor asking visitors to stay home through October. As of this writing cases are leveling off and coming down, however if you are not vaccinated its highly recommended staying home until November.

At Maui Sunset much is the same, a loyal group of AOA employees doing their best to keep the property running. Much is new, like technology bringing faster and accurate communication. On line meetings, social media and website tools. Board members able to visit when their schedule allows instead having to choose to attend a board meeting or miss it completely. As a result so far 100% attendance with online meetings.

Included in this newsletter is the compilation of the hard work of the volunteer board and their committees. Most committees are looking for owners to participate. Please take the time to read the reports, and for more information visit the AOA website www.mauisunset.me

The word and meaning of Aloha can be applied to many of the issues we face as a community. Please follow the house rules, communicate your plans for renovations to the GM, educate your guests on pool rules and general sense of respect and community we have come to love about Maui and the Maui Sunset.

Mahalo

2021 — 2022 IMPORTANT DATES

Now — Spring 2022 Lanai Edge repair

October 29 2021, 4th Quarter Board Meeting

January 28 2022, Annual Homeowner Meeting

Spring (approx May) 2022 "B" building ocean side repair

June 7 - 11, 2022 Lawn De-thatch

August 15 - 19, 2022 Pool Closure

2020
Travelers' Choice[™]



PRESIDENT'S REPORT AUGUST 2021

Aloha to my fellow Board members and all owner attendees.

As its first order of business for the August 20, 2021 meeting the Board will adopt its Rules of Conduct (ROC) which also include owner participation rules at Board meetings. Our Board ROC will be posted on the MS website following adoption at this meeting. The owner participation rules incorporated into the Board's Rules of Conduct are as follows:

With respect to owner attendee participation, following the delivery of each director report, or a motion made by a director or officer, the Chair will open the floor for discussion first to directors and then to owners. Any owner attendee wishing to speak will raise his/her hand in the Zoom application (or in person if applicable). When recognized by the Chair, the owner attendee must state his/her name and unit number. Owners may participate by speaking one (1) time per topic, for a maximum of two (2) minutes. The Chair has discretion to go back to owners to call on them a second time and let them rebut or speak again, subject to time constraints. In cases of indecorum, the Chair may restrict an owner's participation to the chat box, provided that the chat box privileges may also be revoked.

Much work has been done since the first of the year and there is much more to come. As we have discussed many times over the last several years, our buildings are aging, ocean front property and on-going maintenance is necessary. As we will hear from Perry Brassington, Ryan Bazant and Leslie Richardson, there are several large projects on the immediate horizon; for example, B Building remediation, spalling maintenance, plumbing maintenance and repair, requirements of Maui County to install manhole and DCDA back flow. Additionally, there is consideration to be given for security cameras, mailboxes, annual meeting costs, and legal fees, to name a few. We will discuss ways to generate revenue, to offset expenses. Of course, we will also take action to introduce items that will add to the beauty and attractiveness of our property.

One of the discussions I am most excited about is the result of our amenities survey and next steps. No one really likes to answer surveys and so we were very pleased at the turnout and the results told us a lot about what is important to the owners who responded, many of whom we seldom hear from in the ordinary course of business. Director Blain Nelson will tell us more about the survey results and next steps.

We are starting the budget process for 2022 as Walt Smith will talk more about and Steve Meyer is already researching venues and forums for the 2022 Annual Homeowners Meeting. It seems like we were just finishing the budget and AHM, and here they are again. The Board will also discuss the work done thus far to update our bylaws and take a look at the House Rules to make any updates that come out of the projects on which the Board takes action.

Our bylaws require that the Board administer the affairs of the AOA and in so doing, remember that each member of the Board owes the AOA and its owners a fiduciary duty in the performance of our duties. It is a duty we each take seriously as I trust will be evident in our discussions today. Thank you to my fellow Board members, Kari Davis, and our staff for all of the hard work they do to manage our AOA.

Mahalo,

Debra Flynn



GENERAL MANAGER'S REPORT AUGUST 2021

MANAGERS REPORT 3rd QUARTER 2021

Aloha Board Members and Owners –

The following is a summary of a few projects which I managed this quarter.

Organized the cleaning out of 3 AOA storage units to be given back to owners for renting. Currently staff is storing supplies in the sauna space until it is refurbished.

Managed initial phase of sauna refurbishing including removal of the old interior, removal of mold in walls and prep for new sauna materials. Obtained bids from sauna vendors for new materials. Worked with most competitive vendor to design a cost effective and efficient sauna space. Negotiated favorable contract terms and rates.

Working with the county wastewater division regarding the Avoided Cost Proposal to reduce our R-1 water usage costs.

Developed several options for dealing with the DCDA work being required by Department of Water Supply (DWS) prior to approval of permit for B Building remediation. Submitted 3 design options of varying price points and complexity to architects for review and presentation to Planning Dept., DWS and Maui Fire Marshal. Decision pending.

Together with Board Treasurer, Walt Smith, developed proposed 2022 budget for Board review.

Negotiated a new Propane contract at no increase current contract ending December 31, 2021.

Managed 13 water damage claims for Maui Sunset including all remediation work, interface with owners and contractors, managed insurance claims and payments to owners. This work included a re-piping of AOA pipes in B123 and coordinating the efforts to resolve damage impact to A118/A218.

Obtained all spalling equipment quotes, developed lanai safety checklist for Board Building Committee, assisted Board in developing project and communication plan to owners.

Wrote mailbox installation action plan for Board approval and submission to Postmaster. Plan requires detailed timeframe for installation and operation of mailboxes on MS. Getting quotes and surveying location and cost for full mailbox installation.

At owners' request, Sonny and I researched sustainable flowering plants for the triangles in the courtyard. We installed Agapanthus and day lilies which are drought resistant and wind tolerant. So far they are holding up well. New sod was installed along the front parking lot side of the B building. Edging was installed along the Waipuilani bougainvilleas to create a cleaner grass line and keep the chickens from digging in the grass.

We sprayed for pests inside all condos in the A building and at the end of August will be spraying inside all the B building. Dates still pending.

Center stairwells were deep cleaned along with all shopping carts.

Painting above the office roof was completed.

Occupancy at Maui Sunset – Check ins for January were 250, February, 254, March, 388, and April, 434. Occupancy check ins for May were 446, June, 515, and July, 587.

Stay safe, be well and Aloha.

Mahalo!

Kari Davis, General Manager

Secretary Report - Steve Meyer

Documents

Meeting minutes from the May 3rd qtr meeting are available as a Draft. They are not posted on www.mauisunset.me as we do not have a password protected website. Draft Meeting minutes have been and are available to any owner who requests. Financial documents are also available to any owner who requests through the general manager or any board member.

Records and Member Lists

There is a need to upgrade our association website to allow for individual owner login to access AOA documents. Research is ongoing to find an affordable solution.

In accordance with the AOA house rules and Hawaii State law a master list of island contacts including email and afterhours phone numbers. This is crucial to communicating key information with regards to the condo apartment and/or guests.

Scheduled Meetings

The 3rd Quarter meeting will be posted on property on August 13th, a full week prior to the meeting and more than the required 72 hours' notice. The meeting has been posted online at www.mauisunset.me and through the Newsletter mailed to each owner.

COVID restrictions now allow for travel to Hawaii, and as such Directors are expected to be on island at least once every six months per Bylaws. Meeting in person however is not possible and 3rd quarter meeting will be held via zoom. The Annual Homeowner Meeting is scheduled to take place in Kihei on January 28, 2022. The logistics of an in person meeting will be impacted by Hawaii COVID restrictions.

Director contact information

Request that any director that has updated contact information please let me know.

Communications

Website is online and includes a contact form for any comments, or questions. Committee members or volunteers are needed! www.mauisunset.me Please email steve@mauisunset.com

3rd Quarter Newsletter will be published in September and will include meeting minutes from May and draft meeting minutes from August.

Kari Davis, our GM, has an email distribution list. This is fantastic way to keep updated on Maui Sunset news and information. To join please email mauisunsetaoao@gmail.com

Owners! Make sure to communicate to your guests that the Activity Desk is open. The AOA receives a portion of every dollar spent. Retail or activities booked. mauisunsetconciierge@bluehawaiian.com Desk Phone: 808.867.3700 Operating Hours: 8am – 4pm

Maui County

Attended the Hospitality Industry Update for Maui County hosted by the HVCB. Maui Mayor Victorino spoke at length about the opportunities and challenges. Focus point included new TAT tax change and potential of 3% hike to all hospitality bookings. New tax tier system. Vacation rentals, negative resident sentiment, illegal vacation rentals, on-island contacts. 4th quarter they see a softening in travelers.

Building Report—Perry Brassington

Plumbing: this continues to be an issue as so many owners have experienced. The pandemic exposed just how serious when Maui Sunset sat vacant for many months and the pipes dried out. When people came and began using the plumbing again, Maui Sunset had ground floor units get flooded due to clogged pipes resulting in serious & significant damage to several units. To address this, the Building Committee is looking at a two-pronged approach: plumbing in the walls above ground and the plumbing below ground. Below ground, the committee has been getting camera views of the sewer pipes which are so clogged they need to be hydro-jetted in order to get a camera far enough down the pipe to see what condition they are in.

Above ground, Maui Sunset is replacing AOA pipes whenever owners have exposed walls during plumbing repairs or major remodels and the Building Committee is asking all owners who are considering major remodels to let the GM know immediately so when you have your place stripped down, the AOA plumbing can be replaced. Owners should also replace all pipes in the wall that are owner's responsibility as shown in the pictures below. The alternative is for us to come in after a remodel and tear out walls to access pipes that belong to the AOA, a more expensive approach. General Manager must be notified of plans for remodel. It's much less expensive for all of us to work as a team to address these issues when its least expensive to do so.

The Building Committee is looking at mitigation alternatives to a very expensive total plumbing replacement project and beginning a budget planning process. As part of the future cost mitigation efforts, the Building Committee has created a tracking database to keep track of the pipes in the wall that have been/are being replaced, by whom and with what material. When the time comes for a "plumbing replacement bid" the Building Committee will have knowledge of all the units that need replacement and those that don't thereby reducing our future needs for replacement cost and reserve. This process has begun.

Spalling: We have completed our analysis of the spalling project of A and B Buildings. We identified at least 119 lanais in need of repair and/or inspection of previous repair. These are comprised of 56 units on the 2nd and 3rd floors and 63 on the 4th and 5th floors. We will dedicate 2 employees full time to this project for 26 weeks until the project is completed, anticipating we can complete 6 lanais per week using a boom lift for efficiency. We will need to hire a half time person to back fill a maintenance position during this time and rent a boom lift to enable us to reach all floors.

According to the structural engineering report written in 2016 for Maui Sunset, spalling costs grow exponentially the longer they are ignored. We propose a September 20th start date and estimated completion date of April 1, 2022. Work will start on B Building. Following are pictures of some of the affected lanais as well as project and staffing details.

BUDGET

The projected budget is \$57,410 including equipment rental, materials, and staffing. **The Committee recommends the Board adopt the following spend down of reserves to complete the spalling repairs:**

\$31,410 equipment and materials

\$26,000 staffing

Total: \$57,410

EQUIPMENT

After much analysis, we determined that renting a boom lift will be our most cost effective and efficient option for this project. The cost of the proposed lift is approximately \$14,000.

There are 3 types of lifts available; electric, both towable and not, and diesel. The towable electric boom lift is quiet, least expensive option and more flexible. The non-towable is quiet however, due to its short wheel-base it is less flexible to move. The diesel boom lift is noisier and gas costs and smell are a concern. The diesel boom may cause lesser damage to the lawn and will likely be easier to get on the property (larger wheel-base). **The Building Committee is recommending the towable electric unit.**

STAFFING/ENGINEERING

BOARD REPORTS AUGUST 2021

Segundo is full time staff, and we will promote Dustin from PT to FT and backfilling his PT position will add \$26,000 to payroll for the duration of the 26-week project at which time we will revert to our staffing as it was originally budgeted.

The Committee recommends the Board engage an engineer to review any serious structural issues uncovered in any lanai maintenance work. **The Committee also recommends the Board approve the necessary staffing requirements to get the project completed.**

PROJECT PLAN

We created a project plan whereby each lanai will be audited for condition of the railings, air conditioners, windows, and caulking. Staff will check walls & ceilings for cracks and take pictures of damage. They will also confirm which lanais have carpet, tile, or other covering. They will paint the repairs when finished. **The Committee recommends the Board adopt the proposed checklist, as follows:**

		RAIL		A/C						Floor Type					
		rust	bolts	connection	damage	condition	connection	roof cracks	wall cracks	floor/wall spalling	damage	windows caulked	carpet	tile	other
Checklist for Inspection of Lanai:															
Unit #:															
1	Railing inspections - check each rail for rust, check bolts, post connection.														
2	Ac - check hose connection, condition, damage														
3	Walls/ceilings - check for cracks, spall, damage														
4	Windows caulked/sealed														
5	Tile or carpet? Is tile edge caulked: yes or no?														
6	Take picture of damage														
7	Paint face of every lanai														

Flooring Types:

Notes:

IMPACT TO OWNERS AND GUESTS

There will be an impact to owners and guests during the 7-month period of this project.

- **Timing:** the project will take place during high season for owner and guest occupancy. The work will start every day at approximately 8AM and finish around 2PM
- **Noise:** The project will be noisy. There may be concrete drilling involved.
- **View/privacy:** view from the lanai will be impacted by boom lift and privacy of each lanai in stack will be compromised
- **Owner cost:** tile and carpet may have to be torn/broken to fix spalling issue on lanai. The cost to replace the tile and carpet is left to the owner.
- **Perils:** the nature of the work is such that concrete pieces will fall. All efforts to secure the surrounding area of the stack being worked on will be made.
- If it is discovered the lanai does not have mandated concrete waterproofing, the owner will be required to replace the lanai flooring with new material and approved waterproof layer within 45 days. A list of approved materials and contractors is available in the General Manager's office.

BOARD REPORTS AUGUST 2021

We are committed to working as quickly as possible, dedicating two staff members to project completion. **The Committee recommends a communication to owners should be sent immediately advising them of the work to be done and the urgency of the project and adopt an ongoing communication plan for the duration of the project.**

There is an urgency to completing this project given the state of many of the lanais. The spalling issues will only worsen exponentially the longer we wait to address the repair. The current state of many of the 119 lanais does cause concern for the safety of owners and guests. **The Building and Long Range Planning Directors recommend beginning the project September 20, 2021.**

Lighting: Building lighting fixtures are another aging piece that need replacing. We have more than 260 fixtures around the building and walkways. Proper fixtures for a salty seaside property are not inexpensive and styles abound. The replacement process is just getting under way.

Air Conditioners: There are many unapproved air conditioners improperly installed around Maui Sunset. These units can pose a building structural threat as well as a personal liability threat. The House Rules provide that all A/C replacements and installers must be approved by the General Manager and old units disposed of properly. For both structural and personal safety reasons, the Board should address the noncompliant units and installations.

Regarding the actual A/C unit, there is a NEW model A/C that will fit better than the other sleeve models on the market and they are now available on Maui. These are Energy Star rated units by Friedrich, models CCW06B10B & CCW08B10B, available at Johnstone Supply. General Manager Kari Davis is taking names for a group buy and installation to get the cost down significantly from the cost of the previous model.

Proper installation of the unit is critical. Walkway bedroom AC units must be a THRU THE WALL SLEEVE purchased with an installation sleeve. Materials used to fill in space around the AC unit should provide a watertight seal to the wall structure to prevent intrusion of water, insects, rodents, or birds.

The fill-in space must have a finished look and be textured and painted to match like areas on the exterior of the building. The General Manager will provide the paint for the exterior installation to match the building colors. If the AC unit has side vents these have to be covered. Approved side vent grates shall be installed. These are waterproof, don't need to be painted and can be picked up at the General Manager's office. See the picture on the left below as an example of the new look:

Here are examples of proper installation of an approved bedroom A/C unit and improper installation:

Example of New "Good"

Example of Old "Bad"

Example of Birdnest

These examples show the exposure individual units have to water leaking into the walls and bugs and rodents gaining access to the building through these large gaping openings around these A/C units. These need to be addressed, repaired, and brought up to house rule standard as outlined above. Excessive dripping onto the walkways create a walking hazard. Dripping into the walls create a building problem the owner is responsible to repair.

Based on this information, we recommend the Board enforce replacement of old dripping units with the new approved model, properly installed by an approved installer and authorize letters be sent to owners not in compliance. If not replaced within 90 days, the AOA will replace it and bill the owner for the cost of the unit and installation.

Security Report

Based on owner input and doing walk arounds at night to look for vulnerable areas, there are opportunities for immediate improvement. **The Committee recommends the Board approve the following actions for immediately improving security, provided each meets the Board's spend authorization under the bylaws:**

- Improve lighting around B-Side parking lot near Kihei Road to reduce the dark areas
- Replace center stair well door locks with keyfob door locks immediately

For the future, we recommend the Board consider the following:

- Additional lighting around the pool and courtyard for nights when the tikis can't be lit due to wind
- Motion sensor flood lights at the pool activity desk
- Solar battery storage capacity to power this in the event of power outage or longer-term power outage
- Additional Security personnel
- "Neighborhood Watch"
- Shallow end pool lights added to the pool for increased visibility at night
- Improve lighting in dark areas of A-Side parking lot
- Adding additional kayak & bike storage on the A-Building side
- Security Cameras at each elevator on ground floor, parking lots and park
-

Long Range Planning Report—Ryan Bazant

B Building work is slated to Spring 2022. Kari Davis and our architect and engineer are working through the issues presented to us by Maui County and getting approvals for the B Building permit. We have been advised that before Maui County will sign off on the final building permit, the DCDA backflow valve must be completed, a requirement of the Department of Water Supply and completely unrelated to the B Building work. Estimated impact of this project is \$150,000 and not accounted for in reserves or our budget. Maui County then added the additional requirement of installing a sewer manhole near Kihei Road that is also not budgeted for. The low bid for this is about \$27,000 and also not in our operating budget or reserve funding.

Debra Flynn has sent two letters: Mayor Victorino and Jeffrey Person, Director of Water Supply asking to disengage the DCDA requirement from our building repair project as they are unrelated. This is our third attempt at this request. We are hoping that in light of the renewed focus on ocean front hi-rise buildings, the County might be more receptive.

We asked Erickson Engineering to provide a proposal for updating their report on the status of B Building. The scope of work will include the following and cost approximately \$2,500:

- Visit the site and review the physical conditions at the "B" building corner in light of the project delay (access to the exterior of the building via a lift would be coordinated and paid for by the AOAO. The inspection could proceed without this, but ideally would be made available).
- On the same day, walk the exterior of the building and compare current conditions to those documented in our original property-wide report from several years ago
- Formulate opinions and recommendations based upon observations
- Document these efforts in a brief memo

The Committee recommends the Board approve the retaining of Erickson Engineering to complete this report.

Lanai flooring: There is a three-year clock in which lanai carpets must be removed and replaced with a new waterproof floor material has already started. The goal for this year is to have approved materials and house rule changes ready. As part of the spalling project, an audit of all lanais is under way. If a unit does not or has not adhered to the requirement for a Board approved material and waterproof membrane, the unit's lanai flooring will need to be replaced by January 2024. All flooring must be approved by the General Manager, per the House Rules.

Mailboxes

We were recently told by the Postmaster that we must submit a project plan to provide individual mailbox-

es and parcel boxes for Maui Sunset. The estimated budget impact is \$70,000. There will be more information on the final project plan which is currently under development including USPO compliance and due date.

Electric Car Charging Stations

We were notified by Rep. Tina Wildberger that electric charging stations are now mandated by January 1, 2022 for “public” parking lots with 100 or more spaces for “places of public accommodation”. Application to Maui Sunset will be reviewed by legal counsel. If applicable to MS, estimated impact to budget is \$100,000. More to come as we gather more information.

Updates at November Board meeting

Building Power Review

Solar Power Review

Solar Power Repurposing

Mailboxes

Electric Car Charging Stations Exterior Lighting

Insurance Report

As previously reported, our annual property and casualty insurance for the AOA has increased for the last four years at an annual compounded rate of approximately 12%. Talking with David Gerlach, our then insurance agent, we knew that renewal insurance rates were going to be at a significant increase. This is substantially the result of plumbing issues generating increased claims. We had a total of 1 claim in the 2016 and 2017 policy years. We had a total of 10 claims for the 2018 to 2020 policy years. By 2020 insurance claims paid by the carrier were equal to 98% of the premium we paid. Knowing we were going to be quoted significantly higher premiums in the future we searched for at least some alternative to what we knew would not be attractive. In late July we finally received the quote from David Gerlach in the amount of \$191,855 and this is after increasing the deductible from \$5k to \$25k. David Gerlach had no qualified alternative insurance companies that would provide coverage. Fortunately we had previously reached out to other insurance agencies in search of alternatives. Needless to say with this loss experience we were not in the most desirable position to get attractive quotes. In fact a number of insurance companies are unwilling to quote premiums on properties our size without sprinklers, or located within 1000 feet of the ocean. We were able to get an insurance quote from Robert Crozier at ACW Insurance. This quote is based on moving from First Insurance Company to DB Insurance Co. First Insurance is rated A+, DB Insurance is rated A, both companies are “admitted” meaning they are part of the Hawaiian insurance pool that protects policy holders in the event of financial failure by their insurance carrier.

Maui Sunset insurance quotes based on existing coverage with deductibles increased from \$5k to \$25k.

2021 – 2022 Insurance quote totals:

First Insurance – David Gerlach	\$ 191,855.00
DB Insurance – Robert Crozier	\$ 128,328.00
Budgeted amount for Insurance 2021	\$ 134,946.00

Both of these policies increased the deductible for virtually all perils to \$ 25,000. They were unwilling to quote on our existing \$ 5,000 deductible. THIS MAY REQUIRE ALL UNIT OWNERS TO INCREASE THEIR HO6 INSURANCE COVERAGE to offset potential exposure from the AOA increased insurance deductible from \$5k to \$25k. Given that some carriers may treat the deductible increase differently we recommend you contact your HO6 insurance agent to discuss the appropriate changes to compensate for this increase in the AOA’s deductible. When you change or renew your HO6 insurance please e-mail a copy of the coverage page to: Sjarif Goldstein [sgoldstein@acwhawaii.com] [ph. 808.535.5089]

During 2021 we have had 3 claims that look to exceed \$25k. One claim was paid at approximately \$34.5k and two still open but reserved at \$25k each. If we cannot get our plumbing claims under control we will

assuredly see increasing deductibles and increasing premiums in the future.

The Insurance Committee is also exploring the option of adding coverage relating to employment practices. This coverage substantially relates to employment and workplace issues for which we currently have no coverage. Fortunately we also have not had any claims regarding these issues.

Grounds Committee Report—Leslie Richardson

House Rule Violation Letters

As instructed by the board at the May meeting, I sent out House Rules violation letters (110) and managed the owner replies (52). Of the 110 letters, only 21 have been resolved with many others requesting waivers or extensions of time to correct. Many owners are still unable to travel and have requested extensions to attend to the items noted. Thank you to all the owners who promptly replied, it is greatly appreciated. The more common violations noted were lanai wall decorations, screens with rips or bent frames, window coverings in non-approved colors or showing patterns, window film that was peeling, cracking or in general disrepair, among others items. The process highlighted a few areas that require board review and approval including lanai wall decorations, lanai lighting and outdoor fans.

Lanai Wall Decorations

From a June 2018 picture included in the original report available at www.mauisunset.me, there were very few lanai wall decorations. Currently 48 of the unit (over 20%) have something affixed to the wall of their lanai.

The Bylaws state that only appropriate furniture and small plants are allowed on lanais and lanais may not be used for storage purposes of any kind (except during remodel). Article V Section 1(d) of the Bylaws specifically state that “No Apartment Owner may... decorate his respective lanai without the prior approval of the same by the Board of Directors. It is intended that the exterior of the building shall present a uniform appearance ...” Section 7(a) of the House Rules mimic the Bylaws by stating “Each apartment Owner shall be responsible for the care and maintenance of all lanais, which are included in their apartment. Such Owner may not, however, paint or otherwise decorate the floors, walls, or ceilings of the lanais without the prior written approval of the Board [emphasis added]”.

In May, I sent out 110 letters citing House Rules violations. Of those 110 letters, 48 cited lanai wall decorations. I have received numerous requests for a waiver to allow the lanai wall decorations to remain in place. In my opinion, there are many tasteful lanai wall decorations that are of an appropriate color and style so as not to detract from the uniform appearance of the Maui Sunset. However, I am not in favor of issuing individual waivers based on one individual’s judgment as it may breed confusion and contempt. One person may find something acceptable that the majority of the board may not or vice versa. I would prefer to solicit board consensus on what constitutes an acceptable standard for approving a waiver for lanai wall decorations. As such, I propose the following motion:

For the board to approve standards for waiver requests relating to the prohibition of lanai wall decorations and allow one subtle lanai wall hanging or themed triptych-style wall decoration (not to exceed three (3) items, e.g., three fish or two turtles or three palm trees) in a subtle color palate consistent with the colors allowed for lanai furniture.

For the owners that requested waivers, I communicated my intent to propose a motion related to the lanai wall decorations and solicited feedback on what would be deemed acceptable. The House Rules and Bylaws disallow lanai decorations without board approval. Over 20% of our owners currently have wall decorations so I believe many owners are in favor of setting waiver standards. I ask the board to assist in setting appropriate standards for allowing waivers or to disallow in entirety.

String Lights

House Rules Section 7(c) prohibit unshaded or improperly shaded lights that create objectionable glare. A request has been made for a waiver related to a set of string lights mounted around the perimeter of a lanai. String lights are inherently unshaded as they have an exposed bulb so the question for consideration is

whether a set of string lights creates an objectionable glare or are deemed to be decorating the lanai which requires board approval. The pictures below were submitted showing a close and distance view. These lights present clean lines unlike other string lights that tend to dangle (see examples below). These string lights are on a lower floor which eliminates the risk of glare. The question to the board is whether to approve the waiver for these string lights and to discuss other cited violations.

Outdoor Ceiling Fans

House Rules Section 7 describes the standards for outdoor ceiling fans. It states that the color shall be oil rubbed bronze only. The Association approved the Regency Model VC-ORB and if not available or discontinued, a substitute fan may be approved by the General Manager. The Regency Model VC-ORB model is no longer available, but the Regency catalog shows the VC2-ORB. The new model is consistent with the style of fan that was previously approved for use on the lanais.

There are numerous fans around the property that have leaf style blades inconsistent with the uniform appearance at the Maui Sunset and in contrast to the approved style. Waivers have been requested for leaf shaped fan blades.

The question to the board is whether a waiver should be allowed for fan blades that deviate from the approved standard. I do not believe that a wood-colored fan blades is consistent with the standards that are set in the House Rules. As such, I propose the following motion:

For the board to approve outdoor ceiling fans that resemble the VC-ORB approved model so long as they maintain the oil rubbed bronze coloring and approximate 52" blade size/shape.

I do not believe a waiver should be given for fan blades that deviate from the oil rubbed bronze appearance and blade style previously approved. I feel it detracts from the uniformity of appearance around the complex.

Sunshade/Lanai Blinds

Over the years, there have been requests to allow sunshades and umbrellas on the lanais. Especially for the A building as it gets hit with the brunt of the summer sun. However, Article V, Section 2(d) of the Bylaws state that no objects shall be hung from the lanais or facades of the Condominium. Article V, Section 2(f) holds that no Apartment Owner may install equipment or appurtenances on the exterior of either building. House Rule Section 7(c) states that umbrellas of any type shall not be allowed on the lanais or passages or windows. In addition, Bylaws Article V, Section 2(g) and House Rules Section 8(d) holds that nothing shall be allowed or done which will overload or impair the floors. House Rules Section 8(e) states no awnings or other projection shall be attached to the lanais or outside walls of any building. Hence it is very clear in numerous places in the Bylaws and House Rules that sunshades or umbrellas detract from the uniform appearance at Maui Sunset and are not allowed.

However, there have been multiple requests regarding installation of a Sunshade or Lanai Blinds. At the May 2019 board meeting a request was made to provide information for board consideration relative to amending the House Rules to permit the installation and use of exterior lanai blinds. The summary report noted several difficulties inherent in the installation of exterior blinds on Maui Sunset lanais:

1. The angled walls on many lanai units make the installation using side tracts difficult.
2. The lanai walls have deep grooves preventing side tracts from lying flat against the wall without modification.
3. The lanais at Maui Sunset use a post tensioning system that if damaged could result in serious explosive structural damage. (They recommended scanning where the screws would be installed to locate the depth of the post tension cables which are under 225,000 psi of tension.)
4. Lanai shades are expensive with prices ranging from a few to several thousand dollars. Less expensive roller shade options have safety concerns not found in the more expensive options.
5. It was advised that any shade have a motorized wind sensor to automatically roll up when wind becomes excessive.

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The conclusion from the May 2019 review was that a determination should be made that support screws would not damage the rebar or post tension cables. There was no scan done to determine the location of post tensioning cables in the lanais. I reached out to the Maui Sunset contractor doing the A & B building repair work for his opinion but didn't receive a response. I reached out to other experts in the field who expressed concern with putting screws into the slab as it will increase the likelihood of cracking and may contribute to our spalling problem.

Besides the structural issues with mounting lanai blinds or sunshades, there is the matter of aesthetics. The overriding theme is Maui Sunset should present a consistent and uniform appearance. It would be vitally important to select an approved shade style and color. And then there is the concern whether the style and color would be available in the long terms. Similar to the issues we are experiencing with the ceiling fans and AC units, the approved model could be discontinued and then we run the risk of having a mismatch of lanai shades.

Additionally, the length of Maui Sunset lanais would require mounting two shades for full coverage. The Oasis 2800 motorized version and Draper Exterior roller shade are limited to 19' in length and the Oasis manual version limited to 16' in length. The lanais at Maui Sunset exceed 20' so it would require two sets of shades for full coverage or have gaps which would allow for wind to catch the shade possibly creating a hazard. A double shade situation decreases the visual aesthetics and increases the potential impact to the post tensioning system and spalling issues. It also creates an increased hazard risk from the trade winds. The most recent request for a lanai shade proposed a 118" width shade with a side guide wire and railing hold down. As the lanais at Maui Sunset exceed 240" the proposed installation would cover less than half the width of the lanai.

The length of the lanai at Maui Sunset would require two shades mounted to achieve close to full coverage. The visual impact is not as clean as a single shade. It is important to note the side guide wire appears to only be on the ends and not at the middle of the installation. This could be problematic with the winds experienced at Maui Sunset.

I was unable to find statistics or reviews on wind related issues for sunshades. The windiest months in Kihei are June, July and August which are also the times that the shades would be used the most. The average wind speed during the summer months is 15 – 16 mph with regular gusts of 27 mph or more. The design of Maui Sunset creates a wind tunnel down the courtyard area increasing the risk from winds. The May 2019 review suggested using automatically retractable shades. Many of the motorized systems retract in winds exceeding 12 mph which would be every day during the summer. This limitation would prevent use during the peak of the day when they would be needed most.

Another concern is the method of anchoring. The diagram for one proposed model shows a hold down on to the railing. It would be difficult to anchor something to the railing and raises concerns in windy conditions. Especially if it were a model designed to automatically retract in windy conditions. Absent a method of anchoring, the shade could create a hazard in windy conditions.

An additional concern is with shades drawn, owners and occupants can engage in undesirable behavior that is shielded from view e.g., smoking.

A cursory review of other complexes in the Kihei area identified that most do not allow lanai blinds, sunshades or umbrellas. The ones that do are not especially aesthetically pleasing. See Exhibit "A" of original grounds report at www.mauisunset.me for examples. Also note that during a shady day, many owners left their sunshades down when they were not in attendance despite likely prohibitions to do so. Installation of sunshades and lanai blinds are not seen in the higher end complexes in the Kihei and Wailea area. Most prohibit the installation of awnings and sunshades as it detracts from the image. Maui Sunset prides itself on its well-manicured grounds and aesthetically pleasing look. We hold ourselves to a higher standard than many other Kihei resorts.

After review of the May 2019 proposal, the options and quotes provided and my own independent research, I am not inclined to move forward with bringing this matter to owner vote at the annual meeting. There are too many risks associated with the installation and it deviates from the original intent and aesthetics of the complex. The Bylaws and House Rules mention in numerous places a prohibition on mounting anything on the exterior of the building and do not allow for a board waiver for awnings or umbrellas.

The inherent risk of damage to the post tension system and spalling is too great and the visual aesthetics detract from the uniformity at Maui Sunset.

Rules and Regulations Report—Debra Flynn

By law Review

In July 2020, we began a comprehensive review of our bylaws compared to 514B. The purpose of the review was to (1) review our bylaws to ensure compliance with 514B, (2) determine differences between bylaws and 514B which are permissible and unique to MS and (3) identify gaps and needed updates in light of new technologies and current business practices.

In 2021, a committee was formed to consider whether or not to recommend adoption of changes highlighted in the 2020 review. The committee, made up of Leslie Richardson, Mary Donlevy, Allan Harris and McKeen Kessel, completed its analysis in July 2021.

The committee's recommendations will be summarized into a draft bylaw document for review by counsel and the Board. Once counsel and Board review is completed, a communication piece will be prepared and sent to all owners (November timeframe) in an effort to educate owners on the changes and facilitate a vote of owners at the January 2022 Annual Homeowners' meeting.

It is recommended that the Board approve review of draft bylaws by counsel not to exceed \$10,000.

House Rules

It is recommended that the Board amend the House Rules to reflect changes relative to:

1. Approved lanai flooring
2. Approved air conditioning units

New language will be developed for Board review and approval at the October 2021 Board meeting

Enforcement of Rules

Currently, we have House Rules and a method for notifying owners on noncompliance. We do not have a process for

1. follow up on noncompliance notifications,
2. appeals and waiver reviews, and
3. actual enforcement.

It is recommended that the President appoint a committee of board members and owners to develop a process for each of these items and present to Board for approval at October 2021 Board meeting.

Treasurer's Report

In total, the AOA was over budget approximately \$24k, through the quarter ended June 30, 2021.

Total income was approximately \$2,000 over budget, all of which came from concessions which had no budgeted income. Beginning in April the new concessionaire, Blue Hawaiian, paid base rent of \$3,000 per month; a budget excess of \$18,000 for the remainder of this year.

Total expenses through Q2 were over budget by approximately \$26K which includes a number of items that will continue being over budget for the remainder of the year. Payroll and benefits were under budget by about \$13,500 because we were short maintenance staff. Repairs and Maintenance are over budget by \$4.5k all resulting from the purchase of a floor cleaner machine approved in 2020. Utilities through Q2 are over budget by \$48K as a result of a variety of issues. One issue is the cable contract increase of approximately \$430 in January and is now over budget approximately \$2,600. The positive news is in addition to improved equipment the new cable contract will likely include a onetime signing bonus of \$45,000 before yearend.

BOARD REPORTS AUGUST 2021

Propane is over budget by about \$6k mostly from a December 2020, billing which was adjusted in March. Trash billing is currently over budget by \$5.5K but because of the need for increased service and rate increases will continue to be over budget by approximately \$1,500 per month. According to the County we had a faulty water meter that was replaced in September 2020, resulting in significant increased sewer and water charges. We are over budget for sewer and water by \$32,500 through the end of June and anticipate being over budget by about \$10,000 per month for the balance of the year. Administration is under budget by \$13k mostly as a result of the elimination of director's expenses at the annual meeting.

Looking at this information in total, for the remainder of the year we anticipate revenue exceeding budget by \$63,000. Given our existing budget shortfall and anticipated excess expenses of \$96,000 we anticipate a \$33,000 net shortfall for the year.

To date reserve expenditures total about \$31k substantially comprised of Ice Machine and Maui Sunset sign purchase, sewer plumbing, sewer stack, lateral repair and tree trimming. The reserve balance is approximately \$ 1.250 million at the end of Q2. We will have an ongoing issue with reserve fund earnings. Because of significant restrictions on how these funds may be invested we are only earning .01% to .05% on our reserve funds. The most recent reserve study assumes we will earn 1.2% on reserve funds. This reduced rate of earnings is generating a \$12k per year reserve shortfall.

The reserve funds are invested 80% in money market funds and 20% in 30 day CDs. To reduce risk and increase reserve return we are looking to ladder short-term CDs. By purchasing sequential short-term CDs and as funds become available or CDs mature we will initially renew for up to 1 yr. based on when funds are required. By purchasing slightly longer term maturities we will increase the rate of return. This change should reduce our reserve shortfall by 50% within 12 months. We are currently restricted to investments with no more than 1 year maturity because you have not been notified of an intent to look at purchasing investments with more than one year maturity. Over the next 12 months, if we can do so prudently we will increase the maximum maturity beyond 1 year but only if we can maintain reasonable liquidity. For the foreseeable future we have no intent of purchasing investments with more than a 3 year maturity.

Amenities—Blain Nelson

- **Amenities Survey** – We finished up our amenities survey in July. We now have the results from the AOA and Timeshare surveys. The results were almost identical. I appreciate everyone who participated. The answers will help us to focus on amenities that owners want most. One thing that became clear is that we do not have an up to date contact list for both apartment and timeshare owners. I suggest we do our best efforts to update everyone's information. Thank you to everyone who participated in the survey.
- **Activity Desk** – Bookings are increasing as guests return. Many activities are now booked out several months in advance. I recommend that you book your activities as far in advance as possible. New main sign has been ordered. We are still missing the bottom signs to complete the advertising and information for the activity desk. Not having these signs is costing us revenue from lost sales.
- **Pool** – Survey results are as follows for the lap swim question. Survey shows that 27% were opposed. 51% were in favor and the balance were neutral. Second question was on what time would be best for lap swimmers. Results show over 62% said early mornings. Based on the input from owners I will make a motion that we vote to allow lap swimmers priority in the pool from 8am to 9am. Special thanks to the members of the lap swim committee for their efforts and participation.
- **Internet / TV contract** – We have submitted our red lined / reviewed copy of the contract back to Spectrum August 7th. This is taking a great deal longer than expected. Mostly because Spectrum is very slow to respond. I am confident we will have this all finished and signed by Sept / October.
- **Storage Committee**: We have set up a committee to investigate possibility of additional storage units and or making changes to the storage we currently have available for guests and owners. We are using the survey results to drive our focus on this project.

Motions for the meeting: Motion to designate lap swimmers have priority at pool between 8am and 9am.

Timeshare Liaison Report, Blain Nelson and Steve Meyer

The 3rd Quarter board meeting of the Maui Sunset and Maui Kai Timeshare associations were held on August 13 2021. The Timeshare is appreciative of the hard work of the AOAO board and its manager Kari Davis.

The major window conversion projected is complete, glad to see other owners are taking the step to modernize. Timeshare is investigating replacing front lanai windows in the next 24-48 months. Energy efficiency is a major reason.

Electronic door locks are finished. We recommend the Kaba Locks in rubbed oil bronze. They provide a very uniform look and attractive appearance. Option for web enabled or standalone versions. If any owner would like to convert please contact Steve Meyer.

Condo maintenance and side effects of COVID shutdown.

Recommend all owners flush nothing but toilet paper. Our plumbing just can not handle other materials including "flushable" wipes, feminine products, paper towels, basically anything but regular TP. Signs are being installed this fall. In addition to this we have removed all of the garbage disposals in the units in an effort to ease the load on the condo plumbing.

Pest control, roaches, ants, and termites. If you find termite evidence (looks like sawdust) you must hire a professional termite exterminator or replace the item. This is a major issue that will impact other owners. Timeshare inspection has found 3 couches and 4 other pieces that need replacement or treatment. Cost for treatment is minimum of \$395. Recommend GM be given authority to inspect all building condos for termites.

Air Conditioning, the timeshare condos have begun inspecting and either repairing or replacing as needed to keep bedroom A/C's in good working order. During the hot summer we ran tests, A/C's with bedroom door open and 60 degrees setting produced more condensate, often overflowing to outside. Recommend all owners to add signage or provide instructions to only operate at 72 degrees with bedroom door shut. Outdoor conditions with 70% humidity and 90 degrees is hard enough.

A motion to try a test condo with new LVP or all vinyl planking was passed. The timeshare will investigate removing carpet both inside and out and replacing with waterproof vinyl planking. Noise both inside and below, slip and fall hazard, longevity, and of course appearance are concerns.

With restart from Covid we've faced several challenges. Housekeeping, Linen company, and other major staffing shortages on the island. As we head into Fall of 2021 we feel comfortable saying much of that is behind us.

The return to Maui was highly anticipated and the timeshare condos have seen near 100% occupancy since Easter. During the COVID shutdown it was cost effective to reduce office hours of the front desk. April 2021 saw a flood of travelers, which has not shown signs of slowing. This fall Canadian travelers will return, many who have not seen Maui since early 2020.

Regular office hours allows for more interaction with owners and their guests setting the tone for expected behavior. The timeshare association is asking for the 2021 budget to reflect a return to full operations. 8am – 8pm M-Saturday and 9am to 6pm Sunday.

We also would like to see the return of the front office check in packets. Packets include necessary information such as phone numbers, emergency information, Blue Hawaiian Activities and pool rules.

MINUTES OF THE SECOND QUARTER BOARD MEETING

Association of Apartment Owners of Maui Sunset

Board of Directors' Regular 2nd Quarter Meeting

May 7, 2021, 8:30 a.m. HST

Meeting held via Zoom

DIRECTORS PRESENT: Debra Flynn, President; Steve Meyer, Vice President/Secretary; Walt Smith, Treasurer; Perry Brassington, Ryan Bazant, Blain Nelson, Leslie Richardson, Directors.

OTHERS PRESENT: Kari Davis, General Manager

I. CALL TO ORDER

The President called the Board of Directors' Regular 2nd Quarter Meeting of the Association of Apartment Owners (AOAO) of Maui Sunset to order on Friday, May 7, 2021 at 8:34 a.m., HST. The meeting will be conducted according to Robert's Rules of Order. Leslie Richardson will be taking the Minutes for the meeting.

II. ROLL CALL AND DECLARATION OF A QUORUM

A quorum was declared.

III. NOTICE OF MEETING

Mr. Steve Meyer certified that a Notice of Meeting and Meeting Agenda were sent to all owners and directors and posted on property in accordance with Hawaii state law.

IV. CONDUCT OF MEETING

The meeting is being recorded using Zoom technology in order to comply with Maui County law limiting public non-family gatherings to five individuals. The board asks owners to enter their questions and comments in the Chat function in Zoom. We have allowed time on the agenda to review questions and comments at the end of the meeting and will cover as time allows. Those we can't get to will be addressed via email or telephone.

V. APPROVAL OF MINUTES

The minutes of the February 4, 2021 1st quarter Board meeting were circulated to the board. The President asked if there is any discussion or correction to the minutes. As there are none, the minutes were approved as distributed.

Motion: *To waive the reading of minutes of the February 4, 2021 1st quarter Board meeting and approve as written.*

The President noted they stand approved as distributed.

The minutes of the March 2021 special meeting of the Board were circulated. The President asked if there is any discussion or correction to the minutes. As there are none, the minutes were approved as distributed.

Motion: *To waive the reading of the minutes of the March 4, 2021 special meeting of the Maui Sunset AOAO and approve as written.*

The President noted they stand approved as distributed.

VI. OFFICER'S REPORT

a. President's Report:

Debra Flynn presented the President's report, thanking the board for all their work staying focused, positive and true to the responsibility of representing the interests of all owners. She also recognized Kari Davis for working tirelessly to ensure a smooth transition to this new board.

b. General Manager's Report:

Kari Davis presented the General Manager's report.

c. Treasurer's Report:

Walt Smith presented the Treasurer's report.

d. Secretary's Report:

Steve Meyer presented the Secretary's and Vice President's report.

VII. COMMITTEE REPORTS

a. Amenities & Timeshare

Blain Nelson presented the Amenities report. Blain introduced Stacy Vandell to discuss the progress on the Cable/Internet contract negotiations.

b. Building and Long-Range Planning

Perry Brassington presented the Buildings and Security report.

Ryan Byzant presented the Long-Range Planning report.

Motion: *To explore the options to acquire a manlift to proceed with spalling repairs.*

Perry Brassington/Blain Nelson; **Discussion ensued.**

Amendment: *To investigate options for acquiring a manlift.*

Steve Meyer/Leslie Richardson; **Discussion ensued. CARRIED** unanimously.

Motion: *To hire two additional employees to focus only on spalling repairs.*

Perry Brassington/Ryan Byzant; **Discussion ensued.**

Amendment: *Explore options for hiring two additional individuals to focus only on spalling whether they be independent contractors or full-time employees.*

Debra Flynn/ Perry Brassington; **CARRIED unanimously.**

Motion: *To approve security camera option that provides blanket coverage with 360° view camera at the south end of building B for a proposal costs of \$19,234 that provides blanket coverage for the complex.*

Perry Brassington/Walt Smith; **Discussion ensued.**

Motion to table: *Table motion regarding security cameras to the next meeting to be held August 20, 2021 or sooner.*

Steve Meyer/Leslie Richardson; **Discussion ensued.**

Six in favor. One opposed. MAJORITY carries.

Motion: *Installation of key fobs for ground floor stairwell doors. The proposal to cost under \$6,000.*

Perry Brassington/no second; **Discussion ensued.**

1st Amendment: *To add general manager can set hours of operation.*

Steve Meyer/Walt Smith; **Discussion ensued.**

Motion to table: *Table motion regarding stairwell key fob door locks to the next quarterly meeting pending additional information regarding budgeting and how the fobs would work.*

Steve Meyer/Blain Nelson; Discussion ensued. **CARRIED unanimously.**

c. **Communications & Public Relations**

Steve Meyer presented the Communications & Public Relations report.

d. **Grounds & Beach**

Leslie Richardson presented the Grounds and Beach report.

e. **Human Resources**

Debra Flynn noted there is nothing to report.

f. **Insurance**

Walt Smith presented the Insurance report.

g. **Long-Range Planning**

Perry presented the Long-Range Planning report.

h. **Rules & Regulations**

Debra Flynn presented the Rules & Regulation report.

VIII. UNFINISHED BUSINESS

There was no unfinished business.

IX. NEW BUSINESS

Motion: *To approve the securing of a contract for services of a licensed parliamentarian to preside over our annual homeowners meeting.*

Perry Brassington/Walt Smith; Discussion ensued. **CARRIED unanimously.**

Motion: *To enter into engagement with new law firm.*

Perry Brassington/Steve Meyer; Discussion ensued. **CARRIED unanimously.**

X. OWNER Q&A

Review owner comments entered into the Chat Function on Zoom and address outstanding items not already covered in meeting. Exported the Chat log to review at a later date to ensure all items were addressed.

ADJOURNMENT:

Motion: *To adjourn the meeting at 11:20 a.m. HST*

Leslie Richardson/Blain Nelson; **CARRIED unanimously.**

DRAFT MINUTES OF THE THIRD QUARTER BOARD MEETING

Association of Apartment Owners of Maui Sunset
Board of Directors' Regular 3rd Quarter Meeting
August 20, 2021, 8:30 a.m. HST
Meeting held via Zoom

DIRECTORS PRESENT: Debra Flynn, *President*; Steve Meyer, *Vice President/Secretary*; Walt Smith, *Treasurer*; Perry Brassington, Ryan Bazant, Blain Nelson, Leslie Richardson, *Directors*.

OTHERS PRESENT: Kari Davis, General Manager

I. CALL TO ORDER

The President called the Board of Directors' Regular 3rd Quarter Meeting of the Association of Apartment Owners (AOAO) of Maui Sunset to order on Friday, August 20, 2021, at 8:34 a.m., HST. The meeting will be conducted according to Robert's Rules of Order. Leslie Richardson will be taking the Minutes for the meeting.

II. ROLL CALL AND DECLARATION OF A QUORUM

The Chair did roll call and a quorum was declared with all members in attendance.

III. NOTICE OF MEETING

Ms. Kari Davis certified that a Notice of Meeting and Meeting Agenda were sent to all owners and directors and posted on property in accordance with Hawaii state law.

IV. APPROVAL OF MINUTES

The minutes of the May 7, 2021, 2nd quarter Board meeting were circulated to the board. The President asked if there is any discussion or correction to the minutes.

Motion: *To waive the reading of minutes of the May 7, 2021, 2nd quarter Board meeting and approve as amended.*

Steve Meyer/Walt Smith; **No Discussion. CARRIED** unanimously.

V. CONDUCT OF MEETING

Motion: *To accept the Board Rules of Conduct as presented.*

Perry Brassington/Steve Meyer; **Discussion ensued. CARRIED** unanimously.

The meeting is being recorded using Zoom technology in order to comply with Maui County law limiting public non-family gatherings.

VI. OFFICER'S REPORT

a. President's Report:

Debra Flynn presented the President's report.

Amendment: *To add pending Fire Department approval to the motion.*

Blain Nelson/Debra Flynn; **Discussion ensued.** Perry Brassington, Walt Smith, Blain in favor.
Debra Flynn, Leslie Richardson, Ryan Bazant, Steve Meyer opposed. **Amendment fails.**

Motion to Table: *Table the security lock motion and wait for the recommendation of the security committee to be brought back at the next meeting with a report.*

Steve Meyer/Perry Brassington; **Discussion ensued. CARRIED** unanimously

Ryan Byzant presented the Long-Range Planning report.

Motion: *To retain Erickson Engineering to review the condition of the B Building for a cost of approximately \$2,500.*

Ryan Bazant/Perry Brassington; **Discussion ensued. CARRIED** unanimously

c. Communications & Public Relations

Steve Meyer presented the Communications & Public Relations report.

d. Grounds & Beach

Leslie Richardson presented the Grounds and Beach report.

Motion: *For the board to approve standards for waiver requests relating to the prohibition of lanai wall decorations and allow for one subtle lanai wall hanging or a themed triptych-style wall decoration (not to exceed 3 items, e.g., 3 fish or 2 turtles or 3 palm trees) in a subtle color palate consistent with the colors allowed for lanai furniture.*

Leslie Richardson/Steve Meyer; **Discussion ensued. CARRIED** unanimously

Motion: *For the board to approve fan blades that resemble the VC-ORB approved model so long as they maintain the oil rubbed bronze coloring and approximate 52" blade size/shape.*

Leslie Richardson/Debra Flynn; **Discussion ensued. CARRIED** unanimously

e. Human Resources

Debra Flynn noted there is nothing to report.

f. Insurance

Walt Smith presented the Insurance report.

g. Rules & Regulations

Debra Flynn presented the Rules & Regulation report.

Motion: *To approve review of draft bylaws by counsel to include communication materials to owners and final filing with Bureau of Conveyance.*

Debra Flynn/Perry Brassington; **Discussion ensued. CARRIED** unanimously.

Motion: *For the President to appoint a committee of board members and owners to develop a process for follow up on House Rule non-compliance notifications, appeals and waiver reviews and enforcement to present to the board for approval at the October 2021 board meeting.*

Debra Flynn/Perry Brassington; **Discussion ensued. CARRIED** unanimously.

b. General Manager's Report:

Kari Davis presented the General Manager's report.

c. Treasurer's Report:

Walt Smith presented the Treasurer's report.

Motion: *Move that we provide instruction to Maui Sunset Investment Manager to look at investing in money market and CD accounts with maturity of up to one (1) year.*

Walt Smith/Ryan Bazant; **Discussion ensued. CARRIED** unanimously.

d. Secretary's Report:

Steve Meyer presented the Secretary's and Vice President's report.

Motion: *To charge a \$150 fee for request of AOA documents in connection with a unit sale. The AOA Secretary will provide recent meeting minutes, financials, rr105c declaration form, etc. in a timely manner.*

Steve Meyer/Leslie Richardson; **Discussion ensued. CARRIED** unanimously.

Motion: *To approve Aloha Property Management as Managing Agent to run the Annual Homeowner's Meeting pending review of the contract and final negotiations.*

Leslie Richardson/Blain Nelson; **Discussion ensued. CARRIED** unanimously.

VII. COMMITTEE REPORTS

a. Amenities & Timeshare

Blain Nelson presented the Amenities report.

Motion: *To approve priority use of pool for lap swimmers from 8 am to 9 am.*

Blain Nelson/Perry Brassington; **Discussion ensued. CARRIED** unanimously.

b. Building and Long-Range Planning

Perry Brassington presented the Buildings and Security report.

Motion: *To approve the plan presented in the Building Committee Report to commence work on September 20, 2021, by renting a lift and dedicating 2 full time employees to the spalling project. In addition, to approve the hiring of a part time maintenance position to back fill regular Maui Sunset maintenance work. The funding for the spalling project will come from reserves and are estimated to be a minimum of \$58k. In the event repair work exposes more than cosmetic damage, an engineer will be engaged to determine the extent of damage.*

Perry Brassington/Ryan Bazant; **Discussion ensued. CARRIED** unanimously.

Motion: *For Kari Davis to acquire door locks for center stack doors at approximately \$1,800 for the pair.*

Perry Brassington/Debra Flynn; **Discussion ensued.**

VIII. UNFINISHED BUSINESS

There was no unfinished business.

IX. NEW BUSINESS

Motion: *Owners who wish to store a car may do so for a monthly charge as determined by the Board of Directors. The car must comply with existing House Rules. There is a limit of one stored car per owner. Owners who do not utilize another spot either through rentals or guests are exempt from the charge. The rule will go into effect November 1, 2021.*

Steve Meyer/Debra Flynn; **Discussion ensued.**

Amendment: *Owners who wish to store a car may do so for a monthly charge as determined by the Board of Directors. The car must comply with existing House Rules. There is a limit of one stored car per owner. Owners who do not utilize another spot either through rentals or guests are exempt from the charge. The rule will go into effect November 1, 2021, subject to legal review and approval.*

Debra Flynn/Ryan Bazant; **Discussion ensued.** Debra Flynn, Ryan Bazant, Perry Brassington, Walt Smith, in favor. Leslie Richardson, Steve Meyer, Blain Nelson opposed. **Motion carries.**

ADJOURNMENT:

Motion: *To adjourn the meeting at 12:05 p.m. HST*

Leslie Richardson/Blain Nelson; **CARRIED** unanimously.

The Board will convene in Executive Session at 12:15 a.m. (HST) to discuss a personnel, contract, and legal issue.



HAWAII PLANS FOR POST-PANDEMIC TOURISM, STARTING WITH KAUAI

by: Sam Spangler

Posted: Sep 19, 2021 / 06:20 PM HST / Updated: Sep 19, 2021 / 06:20 PM HST

HONOLULU (KHON2) — Visitors to the state of Hawaii are willing to pay more for Native Hawaiian cultural experiences, sustainability and locally grown food, according to findings from a new study conducted by the University of Hawaii (UH) at Manoa and West Oahu.

Researchers hope the study will lead to more economic diversification in the islands, as well as a healthier relationship with tourism.

The survey asked 455 U.S. mainland visitors 28 questions that focused on three open-ended questions. UH Manoa Travel Industry Management professor and study co-author Dr. Jerry Agrusa was surprised with the results.

“They are quite significant, 76% saying that they were willing to pay extra,” Agrusa said.

With the 76%, more than a third of the responders were also willing to pay 10% or more on activities that are put on by Native Hawaiians and are more respectful to their culture. Nearly identical results came with the topic of sustainability.

Kamaehu Kawa’a wins Richard Ho’opi’i Leo Ki’eki’e Falsetto contest

Agrusa said the data backed up what the Hawaii Tourism Authority wants to do with its Malama Hawaii project.

“Which is where tourists come, but they give something back,” Agrusa said. “That would be anything from working on a hiking trail, taking out invasive species, to working in lo’i. or rebuilding an ancient fish pond or helping with a beach cleanup.”

According to the study, 80% of participants said they were OK with paying more at a restaurant if it served locally grown food — with 37% who said they were also willing to pay an extra 11% or more. These findings could lead to agriculture becoming a larger part of Hawaii’s economy.

Rainbow Drive-In donates to local schools in honor of restaurant’s 60th anniversary

“I thought that that was quite significant. That’s a really high number because, you know, food is expensive, and it’s expensive out here,” Agrusa said.

Officials hope the study will influence the policy and decisions that hotel operators have to make, which could lead to a healthier relationship between Ha-

waii’s overwhelming economic driver and residents.

10 things you shouldn’t do when visiting Hawaii

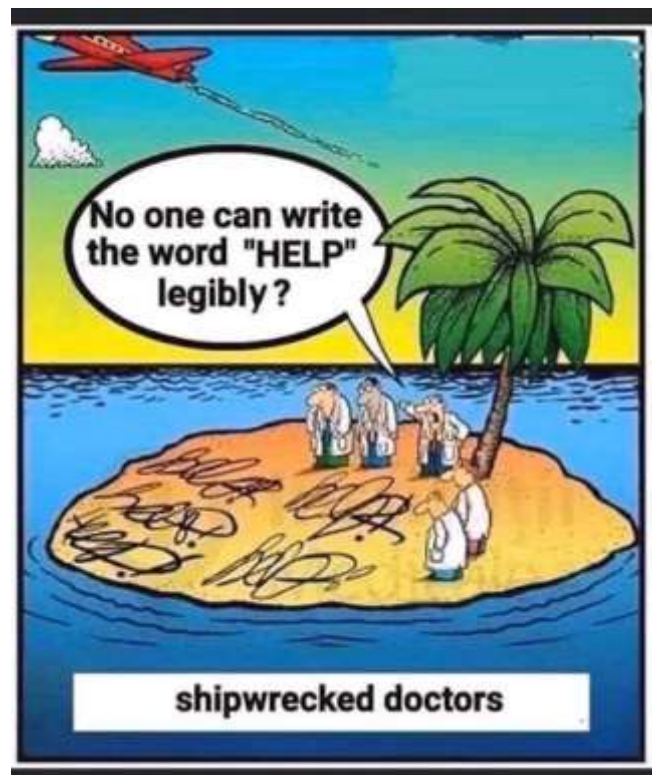
“I do believe that that’s going to happen if we can show people, and make a concerted effort that ‘hey, there are good parts of tourism, and let’s try to amplify that.’ I think that tourists are willing to do this,” Agrusa explained.

The full study will be released on Monday, Sept. 20.

Check out what’s going on around the nation on our National News page

Other people who were on the research team include UH West Oahu assistant professor Holly Itoga, UH Manoa spring 2021 master of science in travel industry management graduate Gabriella Andrade, Ostfold University College associate professor Cathrine Linnes and UNLV professor Joseph Lema.

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The AOA of Maui Sunset
Profit & Loss
For the Eight Months ended August 31, 2021

	Aug 21	Jan - Aug 21
Ordinary Income/Expense		
Income		
4001 · Maintenance Fees	143,385.56	1,147,084.48
4005 · Late Fees	0.00	350.00
4101 · Electricity Income	45,228.89	241,607.56
4105 · Electricity Owners	-51,462.86	-261,489.26
4305 · Concession Income	3,000.00	17,500.00
4310 · Activities Desk Commission	56.00	667.97
4320 · Kayak Storage	346.40	2,332.90
4330 · Storage Rental	1,577.10	12,383.00
4501 · Interest Income	0.65	7.08
4550 · Other Income	385.00	3,772.90
Total Income	142,516.74	1,164,216.63
Gross Profit	142,516.74	1,164,216.63
Expense		
5100 · Payroll and Benefits	47,905.03	352,963.89
6100 · Repairs and Maintenance		
6110 · Building	-118.33	5,734.88
6115 · Elevator Maintenance	670.82	670.82
6120 · Elevators	1,533.95	11,750.66
6125 · Equipment/Tools	35.37	6,341.88
6130 · Grounds - Contract	14,635.02	117,080.16
6135 · Grounds - Supplies	2,241.21	7,655.46
6140 · Grounds - Dethatch	0.00	3,295.81
6150 · Maintenance-Supplies	758.92	6,255.77
6155 · Paint	334.33	1,861.26
6160 · Pest Control	891.23	7,051.96
6170 · Pool-Supplies	2,321.38	10,736.01
6190 · Vehicle Expenses	0.00	569.91
Total 6100 · Repairs and Maintenance	23,303.90	179,004.58
7000 · Utilities		
7001 · Cable	11,794.23	93,679.04
7005 · Electricity-AOAO	542.53	4,209.05
7010 · Propane	0.00	20,520.31
7015 · Refuse	5,011.46	35,408.84
7020 · Sewer	11,223.00	89,451.00
7025 · Telephone	597.33	5,273.01
7030 · Water	4,562.90	41,189.05
7031 · Water - Pool	485.40	4,152.30
7032 · Water - Reclaimed	610.25	1,607.66
Total 7000 · Utilities	34,827.10	295,488.26
7100 · Administration		
7108 · PV System Lease	3,881.78	31,054.24
7110 · Audit/Tax Prep	0.00	3,984.35
7115 · B-408 Utilities/Telephone	207.27	1,355.44
7125 · Bank Service Fees	247.81	1,908.95
7140 · Director's Expenses	0.00	657.03
7145 · Accounting	4,526.01	37,268.06
7150 · Insurance	10,125.38	87,240.32
7155 · Legal Fees	93.75	8,079.22
7160 · Meeting Expenses	0.00	216.62
7165 · Mgt Fees--Annual Mtg	0.00	5,169.72
7170 · Administration Misc Expenses	554.07	5,724.77
7175 · Newsletter & Postage	0.00	639.08
7180 · Non-Budget Misc	0.00	322.23
7195 · Postage	128.61	1,395.73
7201 · Property Taxes	300.57	1,869.90
7210 · Supplies-Administration	0.00	1,612.90
7215 · Taxes - GET	215.26	1,472.17
7217 · Taxes - Income	0.00	0.00
7220 · Uniforms	0.00	530.11

See Accountant's Compilation Report

**The AOA of Maui Sunset
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For the Eight Months ended August 31, 2021**

	Aug 21	Jan - Aug 21
7501 - Reserves Transfer	24,993.41	199,947.28
7800 - Depreciation Expense	178.20	1,425.07
Total 7100 - Administration	45,452.12	391,873.19
Total Expense	151,488.15	1,219,329.92
Net Ordinary Income	-8,971.41	-55,113.29
Other Income/Expense		
Other Income		
8001 - Reserves-MF Allocation	24,993.41	199,947.28
8005 - Reserves-Interest Income	16.31	140.40
8007 - Investmt-Unrealized Gain/(Loss)	88.04	88.04
Total Other Income	25,097.76	200,175.72
Other Expense		
8510 - Exercise Room	-25.59	1,282.25
8513 - Ice Bin	0.00	7,085.52
8515 - Maui Sunset Sign	0.00	2,151.03
8517 - Parking Lot A	0.00	0.00
8518 - Parking Lot B	0.00	0.00
8531 - Sewer Plumbing	3,282.52	12,583.90
8533 - Sewer Stack & Lateral Repair	0.00	8,405.29
8534 - Spalling	1,744.80	11,416.61
8537 - Tree Trimming & Cutting	0.00	3,781.23
Total Other Expense	5,001.73	46,705.83
Net Other Income	20,096.03	153,469.89
Net Income	11,124.62	98,356.60



See Accountant's Compilation Report

FUTURE MEETING SCHEDULE

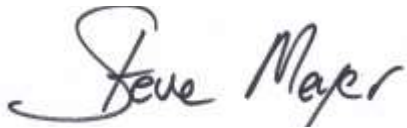
Dates and locations subject to change due to COVID pandemic restrictions

MAUI SUNSET MASTER ASSOCIATION:

Fourth Quarter Meeting	October 29, 2021	8:30 AM HST
Annual Meeting 2022	January 28, 2022	8:30 AM HST
First Quarter Board Meeting	January 28, 2022	Immediately following

All owners are welcome to any meeting via Zoom or in person if COVID restrictions allow. Please see www.mausunset.me for updates

Aloha,



Steve Meyer
Secretary and Communication
Committee Chairperson

Lindsay Meyer - Publisher



POSITION	NAME/ADDRESS	PHONE/FAX	TERM ENDS	COMMITTEE ASSIGNMENTS
President	Debra Flynn (Jim) 990 SW Flora Belle Lane Stuart, FL 34994	Cell: 312-715-4988 debra.flynn90@gmail.com	2023	Chair—Rules & Regulations Chair—Human Resources
Vice-President Secretary	Steve Meyer (Lindsay) 1495 NW Gilman Blvd Issaquah, WA 98027	Cell: 206-604-2790 steve@mauisunset.com	2023	Chair – Communications Newsletter /Website Public Relations
Treasurer	Walt Smith (Andrea)	Cell: 206-396-1203 wsmith@badermartin.com	2024	Chair—Finance Chair—Insurance
Director	Leslie Richardson (Chris) 4019 52nd PI SW Seattle, WA 98116	Cell: 206-234-5813 leslie@graffixinc.com	2022	Chair—Grounds Member—Finance
Director	Blain Nelson PO Box 58 North Lakewood, WA 98259	Cell: 425-239-1982 mauidiver@live.com	2024	Chair—Amenities Time Share Liaison
Director	Perry Brassington 1032 S Kihei Road Kihei, HI 96753	Cell: 425-877-0929 pbrassington@yahoo.com	2024	Co-Chair – Building Co-Chair— Long Range Planning
Director	Ryan Bazant 4200 10 Street NE Calgary, AB T2E 6KE	Cell: 403-250-3818 ryan@learconstruction.com	2022	Co-Chair – Building Co-Chair— Long Range Planning
General Manager	Kari Davis 1032 S. Kihei Rd Kihei, HI 96753	Office: 808-879-0674 Cell: 808-264-4088 Fax: 808-879-0676 gmmauisunset1032@gmail.com		General Manager
Front Desk	Summer Jago, Lore Morris	Office: 808-879-0674 Fax: 808-879-0676 mauisunsetaoao@gmail.com		Office Hours: Mon-Sat: 9am - 5pm
Night Watchman	Christ Hoerner Israel Emilio	Cell: 808-298-9291		Hours: 5pm - 3am



Maui Sunset
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