



PONO KAI
resort · kawaii

Association of Apartment Owners of Pono Kai

Managed by:

bluegreen
RESORTS MANAGEMENT

November 2007

Manager's Message

Aloha from Kauai! As you read further in this newsletter, you will see that we've been busy with many projects over the past year. Additionally, the County of Kauai has completed the beachfront walking path construction near the Pono Kai Resort. Construction is still ongoing in other areas of the path. We encourage you to enjoy the new path during your next visit to the resort. Meanwhile, the Interisland Superferry (ferry that will transport vehicles and passengers between Oahu and Kauai) project continues to be a controversial subject, with supporters and protestors being very vocal about their positions. As of early-November, the Interisland Superferry project is back on. We'll keep you posted as we hear more news.

Mahalo,
Peter Sit – Resort General Manager

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2008 Meeting Schedule

January 10, 2008 – 11:00 AM in California
April 24, 2008 – 1:00 PM at Pono Kai
July 17, 2008 – 1:00 PM at Pono Kai

Annual Meeting:

July 18, 2008 – 9:00 AM at Pono Kai

(Organizational meeting of the board will immediately follow Annual Meeting)

Meeting schedule is subject to change. Meeting dates beyond July 2008 will be set following the Annual Meeting and will be communicated to owners in future mailings. Please Email Kathy.Ayrouth@bluegreencorp.com to confirm meeting dates/times.

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Board of Directors

Norm Chaffin, President; Barbara Paul, Vice President;
Stella Nelson, Secretary; Hugh Conroy, Treasurer; Dorella Lee, Member

If you are interested in serving on the Board of Directors, would like to contact board members or to obtain meeting minutes, you may write to the board, c/o Bluegreen at 4960 Conference Way North, Suite 100, Boca Raton, FL 33431 or email Kathy Ayrouth at Kathy.Ayrouth@bluegreencorp.com.

Status: 2007 Reserve Funding Projects

Priority	Project	Status	Board Approved	YTD Exp.	Outstanding
2	Gutters	Delayed	\$40,000	\$0	(\$40,000)
1	Exterior Painting J&K	Completed	\$14,000	\$14,000	\$0
1	Roof Cleaning/Coating A-K	Completed	\$54,000	\$53,999	(\$1)
1	Railing – C&F Buildings	Completed	\$79,000	\$86,431	\$7,431
1	K Building Fire Alarm Systems	Completed	\$11,649	\$9,687	(\$1,962)
1	Resurface Tennis Courts	Completed	\$18,250	\$18,250	\$0
1	New Voice Mail System	Completed	\$9,995	\$9,995	\$0
*	D Building Column Repair	Completed	\$3,591	\$3,392	(\$199)
*	Replace Water Main (C-109)	Completed	\$0	\$1,979	\$1,979
1	New Lobby Furniture	Completed	\$5,000	\$3,870	(\$1,130)
*	Front Desk Counter	Completed	\$0	\$2,300	\$2,300
*	Jacuzzi Water Heater	Completed	\$0	\$3,870	\$3,870
*	Fire Alarm Updates – A-J Buildings	Completed	\$0	\$8,810	\$8,810
	Total		\$235,485	\$216,583	\$18,902

* Indicates reserve items that were not budgeted for 2007 but subsequently approved by the Board of Directors

As you know, each year in the fall, the board reviews and approves the budget for the following year. In doing so, the board must consider several factors including; projected operating expenses, reserve item replacement requirements, and the current and projected fund balances. The chart above outlines the status of the 2007 reserve projects. The chart below reflects the projects planned for 2008.

2008 Reserve Funding Projects

Priority	Project	Status	Board Approved
1	Exterior Paining – A & B Buildings	2008	\$14,000
1	New Lawn Mower	2008	\$14,000
1	Railing – A & E Buildings	2008	\$82,160
1	Walkway Carpet Buildings – C, D, F & G	2008	\$52,000
1	Fire Alarms – A-K Buildings	2008	\$10,000
	Total		\$172,160

Reminders:

- All guests need to register at the Front Desk and obtain a parking pass (this includes the private units).
- All exterior installations (including window coverings, which can be seen from the outside) must be pre-approved by the BOD prior to project commencement.
- Personal items may not be stored in the common areas or on the lanai.

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Renovation Rules

In the past, the resort had experienced problems with contractors hired by whole owners to renovate unit interiors. Many contractors were disturbing owners and guests in nearby units due to working late hours, driving on landscaping, using resort dumpsters, etc. Contact Bob Egan (808-822-9831) at the Pono Kai to obtain details on the renovation rules, or visit the AOA website (www.ponokai-resort.com and go to the "Rules & Regulations tab) for more information.

Summary of Board Meeting Minutes

Board of Directors Meeting – January 10, 2007

- Minutes of the October 10, 2006 board meeting were approved.
- The board reviewed the Manager's Report, Cash Report, Income Statement, Reserve Report and Delinquency Report for November 2006. It was reported that the year-end cash position was projected to be approximately \$320,527.82. The Reserve Report reflected expenses of \$78,5489 year-to-date and a balance of \$469,505.39.
- The Board table further discussion on the Office Space Lease Agreement until additional information could be obtained.

Board of Directors Meeting – April 12, 2007

- Minutes of the January 9, 2007 board meeting were approved.
- The board reviewed the Manager's Report, Cash Report, Income Statement, Reserve Report and Delinquency Report for February 2007. It was reported that the year-end cash position was projected to be approximately \$251,201. The Reserve Report reflected expenses of \$3,062 year-to-date and a balance of \$583,868.44.
- The Board directed the management company to file liens and begin foreclosure process on two seriously delinquent accounts.
- Kathleen Ayrouth, Barbara Paul and Vince Kuhnhausen were appointed Inspector's of Election for the 2007 Annual Meeting.
- The board approved the 2006 Audit.
- The AOA-PKIOA office space lease was discussed and tabled to obtain additional information.

Organizational Meeting of the Board – April 13, 2007

- The Board approved the slate of officers, meeting schedule, Conflict of Interest Policy and the Travel Policy & Guidelines.

Board of Directors Meeting – July 10, 2007

- Minutes of the April 12, 2007 board meeting and April 13, 2007 organizational meeting were approved.
- The board reviewed the Manager's Report, Cash Report, Income Statement, Reserve Report and Delinquency Report for May 2007. It was reported that the year-end cash position was projected to be approximately \$212,000. The Reserve Report reflected expenses of \$145,642 year-to-date and a balance of \$367,299.40.
- The board approved an additional reserve expense of \$12,000 to fund the replacement of exterior railings for C&F buildings, to replace a water main and to purchase new lobby furniture.
- IOPK (rental pool) representative, John Strizver requested that the board consider an addendum to the current agreement, allowing for a 5-year option to renew. The board directed management to request legal review of the current contract to determine whether the current lease agreement should be used going forward.
- The board unanimously approved the renewal of the commercial space lease with IVC for another 5-year period.
- The board agreed to hold an owner forum after the adjournment of each board meeting.

Exercise Room Coming Soon

We are pleased to announce that we will be opening an Exercise Room for all owners and guests to enjoy while staying at the Pono Kai. K108 is being converted to the Exercise Room. The entrance will be from the back of the unit, near the Tennis Courts. Exercise equipment will include: 2 treadmills, 2 stationary bikes, a weight station system and benches to be used for stretching, etc.

Fitness Room Hours: 8:00 AM – 10:00 PM

The equipment has been ordered and we expect the room to be completed by the New Year. Contact the front desk for further updates.

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Seawall Update

Good News! The County of Kauai has appropriated funding in their next fiscal year's budget (June 2008 – May 2009) to repair the seawall fronting the Pono Kai resort. This has been a long time coming and we will continue to keep you posted as things progress.

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Water Conservation

As you know, Kauai is suffering the worst drought in recent memory. This situation has resulted in increased water costs to the Association. Your Board of Directors has been addressing this issue over the past few years and together with the resort staff, we have taken steps to conserve water.

In an effort to reduce water consumption, some whole owners and the Pono Kai Interval Owners Association have installed Toto low flow toilets. Each commode is reported to reduce water consumption by 30 gallons per day (nearly 5,000 gallons total per day for all Pono Kai Interval Association units).

If you have not already installed the low flow toilets, we urge you to do so. Contact Bob Egan, Resort Maintenance Manager at (808) 822-9831 to obtain further information.

Do your part, participate in this environmentally minded project and reap the cost savings rewards!

Contact Information

Bluegreen Resorts Management, Inc.
www.bluegreenonline.com

Billing Questions
877-688-9889

Monday – Friday
8:00 AM to 5:00 PM (Eastern)

Saturday
9:00 AM to 5:30 PM (Eastern)

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The Pono Kai Resort
www.ponokai-resort.com
808-822-9831