



President's Letter to Poipu Kai Association Homeowners
May 2013

Enclosed you will find the 2013 President's Report, presented at our Annual Meeting last month by departing PKA President Adrian Beltran. I was honored by the Board to be selected as President for the coming year, and I look forward to continuing the work of my predecessors, and our capable management team, in ensuring that Poipu Kai remains on a strong financial footing and provides a welcoming environment to owners, their families, and guests.

Mahalo for your support!

Gary Rubenstein, President
Poipu Kai Association
garyrubenstein@comcast.net

2013 PKA PRESIDENT'S REPORT

Aloha and welcome owners to the 2013 Poipu Kai Association Annual Meeting. We are pleased to return this year to the Grand Hyatt with a new format, including a delicious lunch buffet at the conclusion of the business meeting. Hopefully this will entice speakers at the Open Forum following the formal meeting to keep their remarks brief and to the point! It is my privilege to convene this meeting in order to elect four Directors to the Board and to conduct any additional authorized business.

Let me begin by acknowledging with sincere thanks the outstanding performance of our Management Team led by our General Manager Carolyn Caylor and her Administrative Assistant Kim Pearce as well as Patrice Asuncion of Associa and her Administrative Assistant Allison Zamiska. Many of you know and can appreciate the pure volume of work and communication activity conducted by this Team. In addition, our dedicated maintenance, landscaping, tennis and mechanical workforce continue a high level of service and dedication in keeping our physical plant in top condition and appearance, and we owe them our thanks as well.

FINANCIAL UPDATE

Once Again PKA has finished the year in strong financial condition, thanks largely to our Management Team, Associa Hawaii, our Treasurer and the whole Board. Continuing control over expenses allowed us last October to pass the 2013 budget with no increase in maintenance fees for the seventh straight year! Thankfully, there has finally been an uptick in economic activity in terms of increased tourism and real estate sales, with only a minimal inflationary increase in supply costs. The 2012 Financial Audit statement supporting the review of our financial documents and system is now available to you.

LANAI ROOM STATUS

As reported subsequent to last years' annual meeting, the owners rejected the resolution to fund and complete the build-out of the Lanai Room Health Facility. However, the final architectural review of the space concluded on the basis of a structural engineering assessment, that certain deficiencies existed in the room, which the Board agreed required remediation before any further action was to be taken to utilize the Room. Progress has thus been made to remove the remaining drywall and ceilings in order to clearly assess the electrical, plumbing and structural issues requiring action. The process of developing the appropriate strategy and plans to move forward is now in the planning stage.

Those plans include the exciting announcement that a Letter of Intent has been signed with the Kauai Athletic Club to build and operate a satellite operation called the KAC Express in the PKA Lanai Room space! It is a direct response to the owners wishing to participate in a health facility without imposing the added burden of increased maintenance fees on all owners. KAC has extensive mainland and island experience running first-class health facilities using state-of-the-art equipment and the latest management systems, and a membership at PKA also allows use of the primary facility in Nawiliwili.

PKA retains the responsibility for specific elements of the build-out, namely: (i) structural remediation of the deficiencies noted above, and (ii) construction of an external-access, ADA-compliant bathroom for use by pool and tennis users. The Letter of Intent provides a monthly income to PKA to offset major fixed expenses of ownership, thus minimizing indirect costs to the owners. We trust that PKA owners and guests will enthusiastically support this venture!

ELECTION OF DIRECTORS

Four Board positions required the election of Directors. Current Directors Gary Rubenstein and Bob DeMichiel expressed their desire to renew their positions for another term on the Board, while Directors Edna May and Felix Isherwood are retiring from the board, having served faithfully on a number of committees; Esin Gulari was appointed to replace Felix on an interim basis and we also thank her for her support. Please join me in thanking them for their outstanding service to the Association. I should acknowledge as well the contributions of home owners Kymry Perez and Lanie Wheeler on the HODC, and Jeff Krueger as PKA webmaster.

Attendance at the meeting both in person and by proxy represented almost 62% of the total ownership. The election resulted in Directors Gary Rubenstein, Bob DeMichiel and Kymry Perez being elected to three year terms on the Board, while Pam Ryan was elected to a one-year term.

Every member of the past Board has given freely and graciously of their time and talent to the activities of the Board and the Association, so I hope you will personally extend them your thanks as well.

We also want to thank Aston at Poipu Kai for providing accommodations for our Parliamentarian, and Roberta Charles of Coldwell Banker Makai Properties and Bob Keane of Suite Paradise for hosting a pupu party for all owners by the main pool at 5:30 p.m.

RESOLUTIONS

Two resolutions were passed by unanimous consent: (1) The standard resolution required for tax purposes that balances in our operating, reserve and other accounts at yearend be rolled forward to be applied to regular member assessments in 2014, and (2) The Collection of Rent from a Tenant or Rental Agent to pay an owner's delinquent maintenance fees and assessments

ANNOUNCEMENTS

Please mark your calendars now for next year's Annual Meeting to be held April 19, 2014. Remember to check the PoipuKai.org website for scheduled meetings and events, as well as pertinent documents under your account.

Respectfully submitted,
Adrian M. Beltran, President
4/20/2013