



COMMUNITY ASSOCIATION MANAGEMENT
Queen's Court « 800 Bethel Street, Suite 501 « Honolulu, Hawaii 96813

An **Associa**® Company

November 2012

Aloha Owners,

The Board of the AOA of Prince Kuhio's proposed 2013 Operating Budget and Reserve Study, to be effective on January 1, 2013, is enclosed. The 2013 proposal maintains the same level of funding for both Operating and Reserve contributions for the fourth year in a row. The format provides a comparison between this year's 2012 budget, and the coming year. The bottom line is that there is no increase in fees for 2013.

You may notice minor changes in budget item amounts, based on actual projected expenses for year end. The decrease in Total Revenues reflects the decision of the Association to discontinue acting as a pass through billing agent for internet services for subscribing owners. The elimination of internet revenues is offset by reducing the internet Expenses that were paid by subscribers. Thank you to all of the owners who cooperated with this change, which has gone smoothly. There are also changes to the 2013 Reserve, to reflect the planned fumigation of the building (please see notice on website for exact dates), and best estimates for the future.

The Board oversaw the completion of some major and minor projects this year. The planned replacement of the roof vents on the major sections of the roof, were completed and the walkable roof over the penthouses was recoated. New exterior lighting for the doorways, which will match that installed in the studios, was purchased and is being installed. Other cosmetic improvements include a new more attractive building sign with our address on the front planter, new recycling containers, and a replacement of the charcoal BBQ to use gas. The year has not been without its challenges as the Board has made significant strides in managing cash flows, and responding to the usual maintenance and administrative items.

For your convenience, Hawaii First, Inc can set up a Surepay Electronic Bill Payment Plan, which allows maintenance fees to be deducted directly from your bank account. For those of you have already set up a Surepay Plan, do not re-apply as your payments will continue to be processed automatically. If you are not on Surepay, enclosed you will find your payment coupons for 2013.

Sincerely,

**On Behalf of the Board of Directors
AOAO PRINCE KUHIO**

Shana Maguire
Community Association Manager

Encl



AOAO PRINCE KUHIO 2013

1/1/12 to 12/31/12

10/16/12

2012 2013
Annual Annual
Budget Budget

REVENUES

Operating Revenues:

40100	Maintenance Fees	\$345,636	\$345,636
40112	Reserve Contributions	\$84,000	\$84,000
40120	Late Fees	\$600	\$0
40160	Laundry Commissions	\$7,200	\$8,500
40180	Miscellaneous & Other Income	\$0	\$0
40190	Capital Improvement Assessment	\$52,476	\$45,108
41400	Cable TV Reimbursement	\$14,400	\$14,400
41501	High Speed Internet	\$7,176	\$0
TOTAL Operating Revenues:		\$511,488	\$497,644

Non-Operating Revenues:

46200	Interest Income-Operating	\$0	\$0
TOTAL Non-Operating Revenues		\$0	\$0

TOTAL REVENUES

\$511,488 \$497,644

EXPENSES

Payroll & Benefits:

70010-55	Wages	\$80,592	\$79,818
70055	Bonuses	\$204	\$200
70060	Taxes-Payroll FICA	\$5,688	\$6,108
70070	Taxes-Payroll FUTA	\$192	\$228
70080	Taxes-Payroll SUTA	\$3,000	\$2,688
70090	Workers Compensation	\$8,400	\$6,960
70100	TDI Insurance	\$720	\$600
70110	Medical Insurance	\$11,220	\$11,004
70115	401K Retirement Plan	\$1,056	\$1,500
70120	Auto Mileage Expenses	\$396	\$400
70130	Resident Manager Lodging	\$16,800	\$16,800
TOTAL	Payroll & Benefits:	\$128,268	\$126,306

Administrative & Generals:

70300	Admin-General Expenses	\$792	\$216
70310	Admin-Annual Association Meeting	\$1,104	\$1,848
70330	Admin-Education & Subscription	\$0	\$72
70360	Bad Debt Assessments	\$6,504	\$0
70800	Property Mgmt-Contract	\$18,852	\$18,852

AOAO PRINCE KUHIO 2013

1/1/12 to 12/31/12

10/16/12

		2012	2013
		Annual	Annual
		Budget	Budget
70810	Property Mgmt-Reimbursable	\$8,736	\$13,344
70830	Property Mgmt-Payroll	\$1,824	\$1,824
70900	Legal Fees-General	\$3,600	\$2,000
71100	Professional Fees-Other	\$180	\$100
71150	Accounting Fees-Annual Audit/Tax	\$1,200	\$1,100
TOTAL	Administrative & Generals:	\$42,792	\$39,356

Utilities:

71200	Electricity	\$8,280	\$8,388
71250	Gas	\$28,368	\$36,110
71300	Water	\$6,600	\$13,656
71400	Sewer	\$46,476	\$27,017
71500	Telephone	\$984	\$948
TOTAL	Utilities:	\$90,708	\$86,119

Contract Services:

71600	Cable Television Contract	\$14,400	\$14,400
71650	High Speed Internet - Contract	\$7,188	\$600
71700	Exterminating Contract	\$2,400	\$3,576
71800	Refuse Removal Contract	\$16,800	\$18,024
71860	Tree Trimming	\$4,800	\$4,800
TOTAL	Contract Services:	\$45,588	\$41,400

Repairs/Maintenance/Supplies

72100	Reprs/Maint/Supl-Buildings	\$2,400	\$2,316
72110	Reprs/Maint/Supl-Grounds	\$1,800	\$1,380
72130	Reprs/Maint/Supl-Plumbing	\$1,800	\$2,028
72140	Reprs/Maint/Supl-Equipment	\$3,000	\$1,884
72170	Rprs/Maint -Pool	\$1,200	\$1,704
72195	Fire Control Services	\$600	\$252
72196	Reprs/Maint/Supl-BBQ/Grill	\$0	\$1,596
72198	Rprs/Maint/Supl-Others	\$1,200	\$216
72230	Supplies-Pool	\$1,200	\$1,176
TOTAL	Repairs/Maintenance/Supplies	\$13,200	\$12,552

Taxes/Insurance/Other:

72500	Taxes-General	\$456	\$1,416
72700	Insurance-Package	\$19,020	\$18,180
72710	Insurance-Fidelity Bond	\$324	\$324

AOAO PRINCE KUHIO 2013
1/1/12 to 12/31/12
10/16/12

		2012	2013
		Annual	Annual
		Budget	Budget
72720	Insurance-D & O	\$2,148	\$2,148
72730	Insurance-General Liability	\$6,156	\$5,916
72740	Insurance-Umbrella	\$2,508	\$1,380
72780	Insurance-Flood	\$23,844	\$26,064
TOTAL	Taxes/Insurance/Other:	<u>\$54,456</u>	<u>\$55,428</u>

Non-Operating Revenues

46100	Interest Income-Reserves	\$0	\$528
TOTAL	Non-Operating Revenues	<u>\$0</u>	<u>\$528</u>

Non-Operating Expenses

72900	Loan Payment	\$52,476	\$52,476
TOTAL	Non-Operating Expenses	<u>\$52,476</u>	<u>\$52,476</u>

	TOTAL OPERATING EXPENSES	<u>\$375,012</u>	<u>\$361,161</u>
		<u>\$84,000</u>	<u>\$84,000</u>

RESERVE FUND NET TRANSACTIONS SUMMARY

76080	Transfer TO Reserves	\$84,000	\$84,000
76089	Transfer FROM Reserves (-)	-\$33,996	-\$57,000
76090	Capital Expenditures	\$33,996	\$57,000

Daniel J. Sullivan, C.P.A., M.B.A.
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Honolulu, HI 96821
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Board of Directors
Association of Apartment Owners Of
PRINCE KUHIO

Independent Auditor's Report

I have audited the accompanying statement of cash receipts and disbursements, and change in cash balance of the Association of Apartment Owners of PRINCE KUHIO for the year ended December 31, 2012. This financial statement is the responsibility of the Association's management. My responsibility is to express an opinion on this financial statement based upon my audit.

I conducted my audit in accordance with U.S. generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurances about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, this financial statement was prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In my opinion, the statement mentioned above presents fairly, in all material respects, the cash receipts and disbursements, and change in cash balance of the Association of Apartment Owners of PRINCE KUHIO for the year ended December 31, 2012 on the basis of accounting described in Note 1.

Daniel J. Sullivan C.P.A.

Honolulu, Hawaii
February 4, 2013

Association of Apartment Owners of
PRINCE KUHIO
Notes to the Statement of
Cash Receipts and Disbursements
and Change in Cash Balance
December 31, 2012

NOTE 1. Organization and Accounting Policies:

This 72 unit condominium association, located on the island of Kauai, Hawaii, is organized for the purposes of maintaining and preserving common property of the association.

In accordance with industry practice, the financial statement is presented on the basis of cash receipts and disbursements; consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

The annual budget and assessments of owners are determined by the board of directors. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

The Association has two outstanding adjustable rate loans with First Hawaiian Bank. The loans have current interest rates of 6% and current total monthly payments of \$6,018. The total balance on the loans as of December 31, 2012 is \$428,819. The loans have maturity dates of June 2019 and November 2019 at which time balloon payments will be due as the loan amortization period (20 years) is greater than the loan term (10 years).

The owners have been special assessed to service the debt. They were given an option of paying at once or paying over time. Those owners paying over time are also paying on an amortization of 20 years with a 10 year term and will have a balloon payment due at 10 years, if they have not paid off the loan assessment earlier.

NOTE 2. Ending Cash Balance:

The balance at December 31, 2012 is comprised of:

Operating Cash	\$ 16,370
Reserves	<u>328,878</u>
Total	\$ <u>345,248</u>

NOTE 3. Federal and State Income Taxes:

PRINCE KUHIO is required to file federal and state income tax returns annually. The Association has the option each year to file its federal income tax return using either an 1120 corporation income tax return, or filing as a homeowner's association in accordance with Internal Revenue Service Code section 528 using form 1120-H. The Auditor selects whichever option he judges to be most beneficial for the Association. In either case, a State of Hawaii form N-30 is used. For this year, no income taxes are due.

NOTE 4. Surprise Cash Confirmation:

Hawaii State Law, Act 195, requires all Hawaii condominium associations with twenty or more units to have an annual surprise cash verification in addition to the annual audit. In conformity with this law, I performed a surprise cash confirmation as of June 30, 2012. Balances shown Hawaii First Inc's books were confirmed directly with PRINCE KUHIO's financial institutions who responded that the balances indicated were in agreement with their records.

NOTE 5. Future Major Repairs and Replacements:

Hawaii State law requires condominium associations to prepare a study of Future Major Repairs and Replacements, and also requires funding towards the indicated reserve balances, based upon either straight line or cash flow assumptions. The straight-line method requires that reserves for each component be collected in equal annual installments over the life of the component. The cash flow analysis requires that the Association have sufficient cash flow over a twenty-year period to fund the replacement of building components without special assessments or loans except in an emergency. The intent is to accumulate the anticipated monies necessary in advance of their being needed, in order to reduce the probability of special assessments, borrowing, or deferring needed major repairs and replacements.

PRINCE KUHIO's board of directors conducted a study in 2012 to estimate the remaining useful lives and replacement costs of the components of common property. The resulting Supplemental Information on Future Major Repairs and Replacements which accompany these financial statements is not a required part of the basic financial statements but is supplementary information required by the American Institute of Certified Public Accountants. I have applied certain limited procedures, which primarily consisted of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

Funds are presently being accumulated for replacements based on estimated future costs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Board of Directors of the Association has the right to increase regular assessments, or pass special assessments, until enough funds are available.

Association of Apartment Owners of
PRINCE KUHIO
Statement of Cash Receipts and Disbursements
and Changes in Cash Balance
For the Year Ended December 31, 2012

Cash Receipts:		
Maintenance Fees	\$ 355,494	
Loan Assessment	106,119	
Reserve Contribution	83,310	
High Speed Internet/Cable Receipts	25,809	
Laundry Receipts	8,132	
Rent Receipts	6,390	
Late Fees and Other	2,680	
Interest	<u>492</u>	
Total Cash Receipts		\$ 588,426
Cash Disbursements:		
Repairs and Maintenance:		
Reserve Expenditures-Roofing/Lighting/Other	50,187	
Refuse	16,399	
Plumbing	4,875	
Net Repairs, Purchases and Other	4,400	
Exterminating	4,166	
Landscaping and Grounds	3,740	
Amenities	<u>3,527</u>	87,294
Utilities:		
Gas	31,466	
Sewer	27,991	
Cable TV/Internet	23,968	
Water	13,429	
Electricity	9,315	
Communications	<u>1,276</u>	107,445
Personnel:		
Wages	75,913	
Manager's Lodging	16,800	
Payroll Taxes, Benefits and Other	<u>30,853</u>	123,566
Administration:		
Management Fee	18,852	
Office and Administrative	<u>11,245</u>	30,097
Other:		
Loan Principal Payments (Note 1)	95,229	
Insurance	74,692	
Loan Interest Payments (Note 1)	28,309	
Rental Repairs/Commissions/Maintenance Fees	3,932	
Net Professional Fees	3,598	
Hawaii General Excise Tax	<u>628</u>	<u>206,388</u>
Total Cash Disbursements		554,790
Increase (Decrease) in Total Cash		33,636
Cash Balance: January 1, 2012		<u>311,612</u>
Cash Balance: December 31, 2012		<u>\$ 345,248</u>

Association of Apartment Owners of
PRINCE KUHIO
 Supplementary Information on Future Major Repairs and Replacements
 December 31, 2012

The board of directors updated the reserve study in 2012 to estimate the remaining useful lives and replacement costs of the components of common property. Funding requirements consider an annual inflation rate and interest, net of taxes, on amounts funded for future major repairs and replacements. Associations are allowed to chose either the straight line method, or the cash flow method to fund their replacement reserve requirements. Associations who select the straight line method are required to have accumulated at least 50% of anticipated full replacement reserves. Associations that select the cash flow method must currently fully fund their reserves, using cash flow requirements. The following table is based upon the study, and presents significant information about the components of the common property.

	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Costs
Fumigation-Building	0	\$ 30,000
Lighting Fixtures	0	10,000
Garbage/Recycling Enclosure	1	25,750
Professional Landscape Design Plans	1	15,450
Laundry Appliances	1	16,480
Pool Replaster	1	77,250
Pool Deck Overhaul	2	90,176
Pool Fence	2	26,522
Walkways	2	63,654
Roof Railings	3	10,927
Roof Recoating	4	27,013
Others (Under \$10,000)	0-4	62,011
Pool Deck Overhaul	5	98,538
Pool Fence	5	28,982
Concrete Spalling	6	119,405
Exterior Painting	7	92,241
Pool Deck Overhaul	8	107,675
Pool Fence	8	31,669
Laundry Appliances	9	20,876
Roof Recoating/Replace Penthouse Roof	9	80,895
Others (Under \$10,000)	5-9	55,638
Fumigation-Building	10	40,317
Pool Deck Overhaul	11	117,660
Pool Fence	11	34,606
Roof Railings	13	14,685
Water Heater	13	10,280
Parking Lot	14	113,444
Pool Deck Overhaul	14	128,570
Pool Fence	14	37,815
Roof Recoating	14	36,302
Others (Under \$10,000)	10-14	49,397
Lighting Fixtures	15	23,370
Concrete Spalling Repairs	16	160,471
Pool Replaster	16	120,353
Water Heater	16	11,233
Laundry Appliances	17	26,446
Exterior Painting	17	123,964
Pool Deck Overhaul	17	140,492
Pool Fence	17	41,321
Roof Replacements	18	189,373
Electric Main	19	52,605
Lighting Fixtures	19	26,303
Roof Recoating	19	42,085
Roof Vents	19	26,303
Water Heater	19	12,275
Others (Under \$10,000)	15-20	47,010
		<u>\$ 2,717,832</u>



COMMUNITY ASSOCIATION MANAGEMENT
Queen's Court « 800 Bethel Street, Suite 501 « Honolulu, Hawaii 96813

An **Associa**® Company

AOAO PRINCE KUHIO #156

(Unaudited)

Financial Report As of September 30, 2013

- Balance Sheet
- Comparative Income Statement
- Consolidated Income Statement
- AP Check Register with Detail
- Bank Reconciliation and Bank Statement-Checking
- Bank Statement-Reserves
- AP DS Aging Accrual
- Aging Delinquency
- Aging Prepaid
- Loan Assessment Schedule
- Loan Payment Schedule-First Hawaiian Bank
- Property Administrative Services and Costs
- General Ledger LS Summary Standard
- Schedule of Due to/from Operating Reserve Funds
- Aging Applied with Breakdown Summary

Shana Maguire
Community Association Manager
(808) 282-4450
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Prince Kuhio (156)
 Balance Sheet
 Period Through 09/30/2013

Assets

Cash - Operating

11000	Petty Cash-FHB #6855	2,990.50
11100	Checking	35,121.88

Total Cash - Operating 38,112.38

Cash - Reconstruction Reserve

11141	HSB CD**4754 6M 7/27/13 0.20%	28,712.83
11151	MOB ICS #1163	326,938.23

Total Cash - Reconstruction Reserve 355,651.06

Current Assets - Other

11350	Assessments Receivable	27,200.55
11400	Prepaid Insurance-Package	13,644.00
11420	Prepaid Insurance-Gen Liability/ Umbrella	5,533.51
11430	Prepaid Insurance-Fidelity / D&O	2,043.76
11440	Prepaid Insurance-W/C	5,903.27
11445	Prepaid Insurance-Flood	24,205.00
11490	Prepaid Exp-Other	2,478.13

Total Current Assets - Other 81,008.22

Other Assets

16000	Deposits	1,400.00
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Total Other Assets 1,400.00

Total Assets

476,171.66

Liabilities & Equity

Current Liabilities

23100	Accounts Payable-Trade	3,304.16
23300	Payroll Payable-Federal WH	735.92
23400	Payroll Payable-State WH	460.60
23500	Payroll Payable-EE FICA	694.13
23600	Payroll Payable-FICA	694.12
23700	Payroll Payable-FUTA	50.39
23800	Payroll Payable-SUTA	738.54
24000	Prepaid Assessments	35,665.14
25400	GET Tax Payable	126.32
25500	Insurance Premium Payable	28,494.49
25900	Accrued Expense-Other	6,819.30

Total Current Liabilities 77,783.11

Long Term Liabilities

27100	Loan Payable-FHB 4.00% 06/30/2023	290,064.18
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Total Long Term Liabilities 290,064.18

Other Liabilities

28400	Due to/from Operating Funds	(1,457.97)
28500	Due to Reserve Funds	1,457.97

Total Other Liabilities

Equity-Owner's Equity

31000	Owners' Equity-Carryforward	(68,692.51)
32000	Equity Designated Future Capital Exp-CY	63,000.00
39999	Suspense	
	Net Income/Loss	114,016.88

Total Equity-Owner's Equity 108,324.37

Prince Kuhio (156)
Balance Sheet
Period Through 09/30/2013

Liabilities & Equity

Total Liabilities & Equity

476,171.66

Prince Kuhio (156)
 Comparative Income Statement
 Period 9/1/2013 to 9/30/2013 11:59:00 PM

Current Month Operation				Year to Date Operation					
Actual	Budget	\$ Var	% Var		Actual	Budget	\$ Var	% Var	Annual
Income									
<u>01 Operating Revenues</u>									
28,802.94	28,803.00	(0.06)	0.00%	40100 Maintenance Fees	259,226.46	259,227.00	(0.54)	0.00%	345,636.00
7,000.09	7,000.00	0.09	0.00%	40112 Reserves Contribution	63,000.81	63,000.00	0.81	0.00%	84,000.00
50.00	0.00	50.00	0.00%	40120 Late Fees	1,102.39	0.00	1,102.39	0.00%	0.00
1,007.63	708.00	299.63	42.32%	40160 Laundry Commisions	9,793.15	6,372.00	3,421.15	53.69%	8,496.00
0.00	0.00	0.00	0.00%	40170 Storage income	300.00	0.00	300.00	0.00%	0.00
0.00	0.00	0.00	0.00%	40180 Miscellaneous & Other income	100.00	0.00	100.00	0.00%	0.00
3,349.09	3,759.00	(409.91)	(10.90)%	40190 Capital Improvement-Loan	150,310.18	33,831.00	116,479.18	344.30%	45,108.00
1,200.24	1,200.00	0.24	0.02%	41400 Cable Reimbursement	10,802.16	10,800.00	2.16	0.02%	14,400.00
0.00	0.00	0.00	0.00%	41505 Key Income	223.97	0.00	223.97	0.00%	0.00
41,409.99	41,470.00	(60.01)	(0.14)%	TOTAL 01 Operating Revenues	494,859.12	373,230.00	121,629.12	32.59%	497,640.00
41,409.99	41,470.00	(60.01)	(0.14)%	TOTAL Income	494,859.12	373,230.00	121,629.12	32.59%	497,640.00
Expense									
<u>01 - Payroll & Benefits</u>									
5,926.40	3,142.00	(2,784.40)	(88.62)%	70010 Wages-Manager	32,305.81	28,278.00	(4,027.81)	(14.24)%	37,704.00
2,055.00	2,275.00	220.00	9.67%	70030 Wages-Maintenance	17,460.00	20,475.00	3,015.00	14.73%	27,300.00
1,092.00	1,235.00	143.00	11.58%	70035 Wages-Janitorial	9,656.50	11,115.00	1,458.50	13.12%	14,820.00
0.00	17.00	17.00	100.00%	70055 Bonuses	0.00	153.00	153.00	100.00%	204.00
694.13	509.00	(185.13)	(36.37)%	70060 Payroll Tax FICA	4,572.07	4,581.00	8.93	0.19%	6,108.00
27.31	19.00	(8.31)	(43.74)%	70070 Payroll Tax FUTA	175.15	171.00	(4.15)	(2.43)%	228.00
312.00	224.00	(88.00)	(39.29)%	70080 Payroll Tax SUTA	2,110.87	2,016.00	(94.87)	(4.71)%	2,688.00
655.91	580.00	(75.91)	(13.09)%	70090 Workers' Comp Insurance	5,450.21	5,220.00	(230.21)	(4.41)%	6,960.00
0.00	50.00	50.00	100.00%	70100 TDI Insurance	389.26	450.00	60.74	13.50%	600.00
409.64	917.00	507.36	55.33%	70110 Medical Insurance	7,604.48	8,253.00	648.52	7.86%	11,004.00
0.00	125.00	125.00	100.00%	70115 401K Retirement Plan	1,000.00	1,125.00	125.00	11.11%	1,500.00
0.00	33.00	33.00	100.00%	70120 Auto mileage expenses	389.15	297.00	(92.15)	(31.03)%	396.00
699.90	1,400.00	700.10	50.01%	70130 Resident Manager Lodging	11,899.90	12,600.00	700.10	5.56%	16,800.00

Prince Kuhio (156)
 Comparative Income Statement
 Period 9/1/2013 to 9/30/2013 11:59:00 PM

Current Month Operation				Year to Date Operation					
Actual	Budget	\$ Var	% Var		Actual	Budget	\$ Var	% Var	Annual
11,872.29	10,526.00	(1,346.29)	(12.79)%	TOTAL 01 - Payroll & Benefits	93,013.40	94,734.00	1,720.60	1.82%	126,312.00
				02 - Administrative					
35.03	18.00	(17.03)	(94.61)%	70300 Admin-General Expenses & Supplies	217.19	162.00	(55.19)	(34.07)%	216.00
0.00	154.00	154.00	100.00%	70310 Admin-Annual Assoc Meeting	589.15	1,386.00	796.85	57.49%	1,848.00
0.00	6.00	6.00	100.00%	70330 Admin-Education & Subscription	0.00	54.00	54.00	100.00%	72.00
1,571.00	1,571.00	0.00	0.00%	70800 Property Mgmt-Contract	14,139.00	14,139.00	0.00	0.00%	18,852.00
506.17	1,112.00	605.83	54.48%	70810 Property Mgmt-Admin Cost	7,081.53	10,008.00	2,926.47	29.24%	13,344.00
151.83	152.00	0.17	0.11%	70830 Property Mgmt-Payroll	1,366.47	1,368.00	1.53	0.11%	1,824.00
0.00	167.00	167.00	100.00%	70900 Legal Fees-General	(85.14)	1,503.00	1,588.14	105.66%	2,004.00
209.42	8.00	(201.42)	(2,517.75)%	71100 Professional Fees-Other	209.42	72.00	(137.42)	(190.86)%	96.00
0.00	92.00	92.00	100.00%	71150 Accounting Fees-Audit/Tax	1,099.47	828.00	(271.47)	(32.79)%	1,104.00
2,473.45	3,280.00	806.55	24.59%	TOTAL 02 - Administrative	24,617.09	29,520.00	4,902.91	16.61%	39,360.00
				03 - Utilities					
566.90	699.00	132.10	18.90%	71200 Electricity	6,432.38	6,291.00	(141.38)	(2.25)%	8,388.00
1,857.54	3,009.00	1,151.46	38.27%	71250 Gas	22,609.24	27,081.00	4,471.76	16.51%	36,108.00
1,632.26	1,138.00	(494.26)	(43.43)%	71300 Water Usage	11,466.64	10,242.00	(1,224.64)	(11.96)%	13,656.00
2,878.56	2,251.00	(627.56)	(27.88)%	71400 Sewer Usage	21,662.29	20,259.00	(1,403.29)	(6.93)%	27,012.00
85.41	79.00	(6.41)	(8.11)%	71500 Telephone	748.27	711.00	(37.27)	(5.24)%	948.00
7,020.67	7,176.00	155.33	2.16%	TOTAL 03 - Utilities	62,918.82	64,584.00	1,665.18	2.58%	86,112.00
				04 - Contract Services					
1,326.78	1,200.00	(126.78)	(10.57)%	71600 Cable Television Contract	11,943.84	10,800.00	(1,143.84)	(10.59)%	14,400.00
57.23	50.00	(7.23)	(14.46)%	71650 High Speed Internet-Contract	298.19	450.00	151.81	33.74%	600.00
347.20	298.00	(49.20)	(16.51)%	71700 Exterminating Contract	3,124.80	2,682.00	(442.80)	(16.51)%	3,576.00
1,556.52	1,502.00	(54.52)	(3.63)%	71800 Refuse Removal Contract	12,790.56	13,518.00	727.44	5.38%	18,024.00
0.00	400.00	400.00	100.00%	71860 Tree Trimming	973.96	3,600.00	2,626.04	72.95%	4,800.00
3,287.73	3,450.00	162.27	4.70%	TOTAL 04 - Contract Services	29,131.35	31,050.00	1,918.65	6.18%	41,400.00
				05 - Repairs and Maintenance					

Prince Kuhio (156)
Comparative Income Statement

Period 9/1/2013 to 9/30/2013 11:59:00 PM

Current Month Operation				Year to Date Operation					
Actual	Budget	\$ Var	% Var		Actual	Budget	\$ Var	% Var	Annual
61.66	193.00	131.34	68.05%	72100 Reprs/Maint/Supl-Buildings	4,952.98	1,737.00	(3,215.98)	(185.15)%	2,316.00
188.98	115.00	(73.98)	(64.33)%	72110 Reprs/Maint/Supl-Grounds	4,169.15	1,035.00	(3,134.15)	(302.82)%	1,380.00
0.00	169.00	169.00	100.00%	72130 Reprs/Maint/Supl-Plumbing	462.79	1,521.00	1,058.21	69.57%	2,028.00
51.53	157.00	105.47	67.18%	72140 Reprs/Maint/Supl-Equipment	356.31	1,413.00	1,056.69	74.78%	1,884.00
28.71	142.00	113.29	79.78%	72170 Reprs/Maint/Supl-Pool	1,531.61	1,278.00	(253.61)	(19.84)%	1,704.00
0.00	21.00	21.00	100.00%	72195 Fire Control Services	0.00	189.00	189.00	100.00%	252.00
62.61	133.00	70.39	52.92%	72196 Reprs/Maint/Supl-BBQ/Grill	1,465.24	1,197.00	(268.24)	(22.41)%	1,596.00
7.02	18.00	10.98	61.00%	72198 Reprs/Maint/Supl-Others	123.11	162.00	38.89	24.01%	216.00
0.00	98.00	98.00	100.00%	72230 Supplies - Pool	1,614.84	882.00	(732.84)	(83.09)%	1,176.00
400.51	1,046.00	645.49	61.71%	TOTAL 05 - Repairs and Maintenance	14,676.03	9,414.00	(5,262.03)	(55.90)%	12,552.00
				<u>06 - Insurance, Taxes & Misc.</u>					
0.00	0.00	0.00	0.00%	70360 Bad Debt	(4,620.53)	0.00	4,620.53	0.00%	0.00
126.32	118.00	(8.32)	(7.05)%	72500 Taxes-General Excise	474.54	1,062.00	587.46	55.32%	1,416.00
1,516.00	1,515.00	(1.00)	(0.07)%	72700 Insurance-Package	13,635.98	13,635.00	(0.98)	(0.01)%	18,180.00
27.25	27.00	(0.25)	(0.93)%	72710 Insurance-Fidelity Bond	245.25	243.00	(2.25)	(0.93)%	324.00
199.83	179.00	(20.83)	(11.64)%	72720 Insurance-D&O	1,671.99	1,611.00	(60.99)	(3.79)%	2,148.00
500.25	493.00	(7.25)	(1.47)%	72730 Insurance-General Liability	4,459.31	4,437.00	(22.31)	(0.50)%	5,916.00
114.58	115.00	0.42	0.37%	72740 Insurance-Umbrella	1,031.22	1,035.00	3.78	0.37%	1,380.00
2,420.50	2,172.00	(248.50)	(11.44)%	72780 Insurance-Flood	20,042.65	19,548.00	(494.65)	(2.53)%	26,064.00
4,904.73	4,619.00	(285.73)	(6.19)%	TOTAL 06 - Insurance, Taxes & Misc.	36,940.41	41,571.00	4,630.59	11.14%	55,428.00
				<u>07 - Non-Operating Expenses</u>					
1,026.19	4,373.00	3,346.81	76.53%	72900 Interest Expense	18,863.31	39,357.00	20,493.69	52.07%	52,476.00
7,000.00	7,000.00	0.00	0.00%	76080 Allowance-Future Capital Reserve	63,000.00	63,000.00	0.00	0.00%	84,000.00
8,026.19	11,373.00	3,346.81	29.43%	TOTAL 07 - Non-Operating Expenses	81,863.31	102,357.00	20,493.69	20.02%	136,476.00
37,985.57	41,470.00	3,484.43	8.40%	TOTAL Expense	343,160.41	373,230.00	30,069.59	8.06%	497,640.00
3,424.42	0.00	(3,424.42)	0.00%	Excess Revenue / Expense	151,698.71	0.00	(151,698.71)	0.00%	0.00

Prince Kuhio (156)
Comparative Income Statement

Period 9/1/2013 to 9/30/2013 11:59:00 PM

Current Month Reconstruction				Year to Date Reconstruction				
Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Annual
Income								
<u>02 Non-Operating Revenues</u>								
53.99	44.00	9.99	22.70%	46100 Interest Income-Reserves	395.27	396.00	(0.73)	(0.18)% 528.00
53.99	44.00	9.99	22.70%	TOTAL 02 Non-Operating Revenues	395.27	396.00	(0.73)	(0.18)% 528.00
53.99	44.00	9.99	22.70%	TOTAL Income	395.27	396.00	(0.73)	(0.18)% 528.00
Expense								
<u>07 - Non-Operating Expenses</u>								
4,739.26	0.00	(4,739.26)	0.00%	76090 Capital Expenditures	38,077.10	0.00	(38,077.10)	0.00% 0.00
4,739.26	0.00	(4,739.26)	0.00%	TOTAL 07 - Non-Operating Expenses	38,077.10	0.00	(38,077.10)	0.00% 0.00
4,739.26	0.00	(4,739.26)	0.00%	TOTAL Expense	38,077.10	0.00	(38,077.10)	0.00% 0.00
(4,685.27)	44.00	4,729.27	10,748.34%	Excess Revenue / Expense	(37,681.83)	396.00	38,077.83	9,615.61% 528.00

Prince Kuhio (156)

Consolidated Income Statement

Period 9/1/2013 to 9/30/2013 11:59:00 PM

	Current Month			Year To Date		
	Operation	Reconstruction	Total	Operation	Reconstruction	Total
REVENUES						
<u>01 Operating Revenues</u>						
Maintenance Fees	28,802.94		28,802.94	259,226.46		259,226.46
Reserves Contribution	7,000.09		7,000.09	63,000.81		63,000.81
Late Fees	50.00		50.00	1,102.39		1,102.39
Laundry Commissions	1,007.63		1,007.63	9,793.15		9,793.15
Storage income				300.00		300.00
Miscellaneous & Other				100.00		100.00
Capital Improvement-Loan	3,349.09		3,349.09	150,310.18		150,310.18
Cable Reimbursement	1,200.24		1,200.24	10,802.16		10,802.16
Key Income				223.97		223.97
TOTAL 01 Operating Revenues	41,409.99		41,409.99	494,859.12		494,859.12
<u>02 Non-Operating Revenues</u>						
Interest Income-Reserves		53.99	53.99		395.27	395.27
TOTAL 02 Non-Operating Revenues		53.99	53.99		395.27	395.27
TOTAL REVENUES	41,409.99	53.99	41,463.98	494,859.12	395.27	495,254.39
EXPENSES						
<u>01 - Payroll & Benefits</u>						
Wages-Manager	5,926.40		5,926.40	32,305.81		32,305.81
Wages-Maintenance	2,055.00		2,055.00	17,460.00		17,460.00
Wages-Janitorial	1,092.00		1,092.00	9,656.50		9,656.50
Payroll Tax FICA	694.13		694.13	4,572.07		4,572.07
Payroll Tax FUTA	27.31		27.31	175.15		175.15
Payroll Tax SUTA	312.00		312.00	2,110.87		2,110.87
Workers' Comp Insurance	655.91		655.91	5,450.21		5,450.21
TDI Insurance				389.26		389.26
Medical Insurance	409.64		409.64	7,604.48		7,604.48
401K Retirement Plan				1,000.00		1,000.00
Auto mileage expenses				389.15		389.15
Resident Manager	699.90		699.90	11,899.90		11,899.90
TOTAL 01 - Payroll & Benefits	11,872.29		11,872.29	93,013.40		93,013.40
<u>02 - Administrative</u>						
Admin-General Expenses	35.03		35.03	217.19		217.19

Prince Kuhio (156)

Consolidated Income Statement

Period 9/1/2013 to 9/30/2013 11:59:00 PM

Admin-Annual Assoc			589.15	589.15
Property Mgmt-Contract	1,571.00	1,571.00	14,139.00	14,139.00
Property Mgmt-Admin	506.17	506.17	7,081.53	7,081.53
Property Mgmt-Payroll	151.83	151.83	1,366.47	1,366.47
Legal Fees-General			(85.14)	(85.14)
Professional Fees-Other	209.42	209.42	209.42	209.42
Accounting Fees-			1,099.47	1,099.47
TOTAL 02 - Administrative	2,473.45	2,473.45	24,617.09	24,617.09
03 - Utilities				
Electricity	566.90	566.90	6,432.38	6,432.38
Gas	1,857.54	1,857.54	22,609.24	22,609.24
Water Usage	1,632.26	1,632.26	11,466.64	11,466.64
Sewer Usage	2,878.56	2,878.56	21,662.29	21,662.29
Telephone	85.41	85.41	748.27	748.27
TOTAL 03 - Utilities	7,020.67	7,020.67	62,918.82	62,918.82
04 - Contract Services				
Cable Television Contract	1,326.78	1,326.78	11,943.84	11,943.84
High Speed Internet-	57.23	57.23	298.19	298.19
Exterminating Contract	347.20	347.20	3,124.80	3,124.80
Refuse Removal Contract	1,556.52	1,556.52	12,790.56	12,790.56
Tree Trimming			973.96	973.96
TOTAL 04 - Contract Services	3,287.73	3,287.73	29,131.35	29,131.35
05 - Repairs and Maintenance				
Reprs/Maint/Supl-	61.66	61.66	4,952.98	4,952.98
Reprs/Maint/Supl-Grounds	188.98	188.98	4,169.15	4,169.15
Reprs/Maint/Supl-			462.79	462.79
Reprs/Maint/Supl-	51.53	51.53	356.31	356.31
Reprs/Maint/Supl-Pool	28.71	28.71	1,531.61	1,531.61
Reprs/Maint/Supl-	62.61	62.61	1,465.24	1,465.24
Reprs/Maint/Supl-Others	7.02	7.02	123.11	123.11
Supplies - Pool			1,614.84	1,614.84
TOTAL 05 - Repairs and Maintenance	400.51	400.51	14,676.03	14,676.03
06 - Insurance, Taxes & Misc.				
Bad Debt			(4,620.53)	(4,620.53)
Taxes-General Excise	126.32	126.32	474.54	474.54
Insurance-Package	1,516.00	1,516.00	13,635.98	13,635.98

Prince Kuhio (156)

Consolidated Income Statement

Period 9/1/2013 to 9/30/2013 11:59:00 PM

Insurance-Fidelity Bond	27.25		27.25	245.25		245.25
Insurance-D&O	199.83		199.83	1,671.99		1,671.99
Insurance-General Liability	500.25		500.25	4,459.31		4,459.31
Insurance-Umbrella	114.58		114.58	1,031.22		1,031.22
Insurance-Flood	2,420.50		2,420.50	20,042.65		20,042.65
TOTAL 06 - Insurance, Taxes & Misc.	4,904.73		4,904.73	36,940.41		36,940.41
07 - Non-Operating Expenses						
Interest Expense	1,026.19		1,026.19	18,863.31		18,863.31
Allowance-Future Capital	7,000.00		7,000.00	63,000.00		63,000.00
Capital Expenditures		4,739.26	4,739.26		38,077.10	38,077.10
TOTAL 07 - Non-Operating Expenses	8,026.19	4,739.26	12,765.45	81,863.31	38,077.10	119,940.41
TOTAL EXPENSES	37,985.57	4,739.26	42,724.83	343,160.41	38,077.10	381,237.51
EXCESS OF REVENUE OVER EXPENSES	3,424.42	(4,685.27)	(1,260.85)	151,698.71	(37,681.83)	114,016.88

Prince Kuhio AOA
Insurance Summary
Date Prepared: July 21, 2013

Insurance Associates, Inc.
800 Bethel Street, Suite #200
Honolulu, HI 96813

Agent: Sue Savio
Direct Line: 808.526.9271
Direct Fax: 808.792.5371
sue@insuringhawaii.com

Coverage	Limits	Term	Policy Period	Annual Premium	Insurance Company	Comments
Property including Equipment Breakdown Building Replacement Cost Business Personal Property Building Ordinance/Increased Cost of Construction Deductible (all other perils excluding hurricane) Hurricane Deductible (2% of the building value)	\$ 10,126,000 \$ 252,000 \$ 1,000,000 \$ 5,000 \$ 202,520	Annual	07/01/13 – 07/01/14	\$ 18,192	First Insurance Company of Hawaii	
Commercial General Liability General Aggregate Personal & Advertising Injury Each Occurrence Fire Damage (any one fire) Medical Expense (any one person) Hired/Non-Owned Automobile (occurrence)	\$ 2,000,000 \$ 1,000,000 \$ 1,000,000 \$ 100,000 \$ 5,000 \$ 1,000,000	Annual	07/01/13 – 07/01/14	\$ 6,003	First Insurance Company of Hawaii	
Commercial Umbrella Each Occurrence Liability Aggregate Limit Retained Limit	\$ 10,000,000 \$ 10,000,000 \$ 0	Annual	07/01/13 – 07/01/14	\$ 1,375	Fireman's Fund Insurance Company	Provides coverage above the Directors' & Officers' Policy
Directors' and Officers' Liability Each Occurrence General Aggregate Deductible	\$ 2,000,000 \$ 2,000,000 \$ 5,000	Annual	07/15/13 – 07/15/14	\$ 2,398	Continental Casualty Company	Includes coverage for the Management Company
Fidelity Bond Deductible	\$ 100,000 \$ 1,000	Annual	07/01/13 – 07/01/14	\$ 327	First Insurance Company of Hawaii	
Flood Insurance Covered Amount Deductible	\$ 10,126,000 \$ 5,000	Annual	08/16/13 – 08/16/14	\$ 29,046	Selective Insurance Company of America	National Flood Insurance Program
Workers' Compensation and Employers Liability Bodily Injury by Accident (each accident) Bodily Injury by Disease (each employee) Bodily Injury by Disease (policy limit)	Statutory \$ 500,000 \$ 500,000 \$ 500,000	Annual	07/15/13 – 07/15/14	\$ 7,871	Crum & Forster Indemnity Company	
Temporary Disability Insurance (TDI)						

This summary is a brief outline of your insurance policies and is a matter of information only. It does not amend, extend or alter the coverage's afforded by the companies. You must refer to the provisions found in your policies for the details of your coverage's, terms, conditions and exclusions that apply.

**AOAO PRINCE KUHIO
2013 ANNUAL MEETING MINUTES
Prince Kuhio (Basement)
5061 Lawai Road
Koloa, Hawaii 96756
Tuesday, February 19, 2013**

I. CALL TO ORDER

The Chair called the Meeting to order at 9:23 a.m., with 92.9510% of the Ownership represented at the Meeting in person or by proxy.

II. PROOF OF NOTICE OF MEETING

Pursuant to Article I (MEMBERSHIP), Section 5 (Notice of Meeting) of the By-Laws of the Association of Apartment Owners (AOAO) Prince Kuhio, Proof of Notice of the Meeting was sent to all Owners of record on Friday, January 18, 2013.

III. PERMANENT AND STANDING MEETING RULES

The Owners adopted by unanimous consent Permanent and Standing Meeting Rules for this and all future Association Meetings as appended to these Minutes for record purposes.

IV. APPROVAL OF MINUTES

The Minutes of the Association's 2012 Annual Meeting held on Tuesday, February 21, 2012 were approved as distributed. The Owners authorized by unanimous consent the Board of Directors to approve the Minutes of this Annual Meeting and all future Association Meetings.

V. REPORT OF OFFICERS

A. President's Report : President Paula Green provided a verbal and written report.

B. Treasurer's Report: President Paula Green provided a verbal and written report

C. Auditor's Report

The Annual Audit for the fiscal year ending December 31, 2012 was distributed to all those Owners in attendance, and adopted by the Association by unanimous consent.

D. Report of the Manager: Resident Manager David Womack provided a verbal and written report

VI. ELECTION OF DIRECTORS

Elections were held, and the following Owners were duly elected to the Board for the term lengths as indicated:

Michael Martin	76.9026%	2-year term
Harry Sharp	67.6608%	2-year term
Paula Green	62.5543%	2-year term

VII. NEW BUSINESS

A. Tax (Rollover) Resolution: The following resolution was adopted by unanimous consent of the Owners:

Resolved by the Owners of the Association that the amount by which each Member's assessment in 2013 exceeds the total payments of the Association for maintenance, repairs, and other expenses and capital expenditures of the Association as the Board of Directors has appropriately paid or determined payable, shall be applied to regular Member assessments on the year 2014.

B. Ratification of Board's Selection of Auditor: Pursuant to Article III (OFFICERS), Section 8 (Auditor) of the By-Laws of the Association of Apartment Owners (AOAO) Prince Kuhio, the Owners approved the Board's selection of Daniel Sullivan, CPA, as the Association's Auditor for the tax year 2013 by unanimous consent.

C. Loan Refinancing Options: Motion by Brenda Crawford, seconded by John Patt for the Board to review the Prince Kuhio loan to see if there are any better options available; motion passed unanimously.

D. The Board distributed copies of the existing House Rules and rules regarding installation of DTV in the building for owner's comment.

VIII. ADJOURNMENT

There being no further new business, the 2013 Annual Meeting was adjourned at 12:29 p.m.

Submitted:

Mike Martin, Secretary

Hawaii First
AOAO PRINCE KUHIO
Shana Maguire
Property Manager

MINUTES

AOAO PRINCE KUHIO
REGULAR MEETING OF THE BOARD OF DIRECTORS
Conference Call #1-605-475-4000
Access # 421237
Thursday, April 18, 2013

- I. **CALL TO ORDER:** Noting the presence of a quorum, President Barnard called the Meeting to order at 10:24 A.M. (HST).

Present: Via Conference Call: President Jack Barnard, Vice-President Harry Sharp, Treasurer Doug Moore, Secretary Mike Martin, and Director Paula Green

Excused: None

Invited: Hawaii First, Inc., Property Manager Shana Maguire and Resident Manager David Womack

Owners: Jean Adams #105 and Alan Kornicks #213

- II. **MINUTES:** Motion by Vice President Sharp, seconded by Secretary Martin to approve the Minutes of the Regular Board of Directors Meeting held on March 8, 2013; motion carried.

III. **TREASURER'S REPORT:**

Treasurer Doug Moore provided an oral report.

IV. **UNFINISHED BUSINESS:**

A. **Lighting Fixture Install Status:** The location of the lights was discussed. Director Green advised that the lights should be installed in the middle of the building in the same manner they are installed in the studios. Treasurer Moore suggested we get a bid for surface mounting the middle building to cover the exposed conduit so that the middle building matches the studio. Resident Manager Womack will obtain costs so the Board can vote at the next Board meeting.

B. **Pool Replaster Status:** President Barnard reported that the Board members have received a copy of the bids received so far. Resident Manager Womack advised that he would not recommend any of the proposals received to date. Resident Manager Womack and Secretary Martin believe we need to work with the pool professionals who are bidding our project to come up with better data and more details as needed to compare their bids. President Barnard will talk to the Board President at Waikomo Stream Villas to find out which vendor did their pool.

C. **Fumigation Preparation:** President Barnard advised that Resident Manager Womack has been working on a checklist for the fumigation scheduled for June. Resident Manager Womack reported that there will be four nights of security from 4pm to 8am

once the building is no longer occupied. The Board needs to decide if the employees will still work while the building is tented. The employees being on site during the fumigation will help with security. The propane will be shut down. The water supply to the building will be turned off. Resident Manager Womack has been contacting the long term tenants and so far everyone is aware that the fumigation will be taking place. The storage in the basement is being updated. Some plants will probably have to be stripped and/or moved. The 50% deposit check to Aloha is in the process of being cut by Hawaii First. The Board will post a blog asking for the owners to respond that they are aware of the fumigation project. Once there is a list of owners who don't respond, phone calls will be made to those owners.

- D. New Loan Options: Treasurer Moore has been working with First Hawaiian Bank and provided a spreadsheet to the Board with the two choices. Both options reduce the interest. The first option keeps the payment the same and reduces the balloon amount. The loan will still mature in 2019 and anyone who has not paid off by then will have a balloon payment. The second option rewrites the loan to a new 10 year loan. It would lower the interest rate and increase the payment approximately 26% (approximately \$15-\$30 per owner depending on the size of the unit) but it would eliminate the balloon payment. The Board instructed Treasurer Moore to create a summary for the owners on the blog to provide feedback. He will also start working with First Hawaiian Bank to obtain a quote and start moving forward.
- E. David's Project List: President Barnard advised that David's project list had been distributed to the Board for their review. The Board discussed the different projects which will be ongoing.

V. NEW BUSINESS:

- A. Koi Bridge Repair Status: Motion by Treasurer Moore, seconded by Vice President Sharp, to hire Bob Eakin to reconstruct the bridge with costs not to exceed \$1,500 with the AOA to purchase the materials for \$1,500. The total project cost not to exceed \$3,000; motion carried.
- B. Sprinkler Install Status: Resident Manager Womack reported that the sprinkler is operational up to the studios. But work on the remaining part and some additional work on the existing parts are still in progress.
- C. Basement Bikes: President Barnard advised that the abandoned basement bikes have been hauled away. We still have bikes in the basement that were tagged by owners.

VI. OWNER'S FORUM: None

VII. EXECUTIVE SESSION: The Board of Directors did not adjourn to Executive Session.

VIII. NEXT MEETING: The next Meeting of the Board of Directors will be **AT THE CALL OF THE PRESIDENT, or on Tuesday, May 30, 2013 via conference call at 8:00 A.M. (HST), 11:00 A.M. (PST).**

IX. ADJOURNMENT: There being no further business to discuss and hearing no objections, President Barnard adjourned the meeting at 12:19 P.M.

Submitted:

Mike Martin, Secretary

HAWAII FIRST
Managing Agent for the:
AOAO PRINCE KUHIO
Shana Maguire
Community Association Manager, Recording Secretary

MINUTES

AOAO PRINCE KUHIO
REGULAR MEETING OF THE BOARD OF DIRECTORS
Conference Call #1-605-475-4000
Access # 421237
Thursday, May 30, 2013

- I. **CALL TO ORDER:** Noting the presence of a quorum, President Barnard called the Meeting to order at 8:04 A.M. (HST).

Present: Via Conference Call: President Jack Barnard, Vice-President Harry Sharp, Treasurer Doug Moore, Secretary Mike Martin, and Director Paula Green

Excused: None

Invited: Hawaii First, Inc., Property Manager Shana Maguire and Resident Manager David Womack

Owners: Jean Adams #105

- II. **MINUTES:** Motion by Vice President Sharp, seconded by Treasurer Moore to approve the Minutes of the Regular Board of Directors Meeting held on April 18, 2013; motion carried.

III. **TREASURER'S REPORT:**

Treasurer Doug Moore provided an oral report.

IV. **UNFINISHED BUSINESS:**

A. **Lighting Fixture Install Status:** President Barnard advised that Resident Manager Womack has put together a mock up of how the lights would look on the first and third floors. The second floors are different than the first and third floors so a mock up still needs to be made. Treasurer Moore reported that we still need to get a price. Motion by Treasurer Moore, seconded by Vice President Sharp for him to work with Resident Manager Womack to do the mockup for the second floor while Resident Manager Womack works on obtaining the price for approval from the Board at the next Board meeting; motion carried.

B. **Pool Replaster Status:** President Barnard reported that three bids have been received. He researched who did the Waikomo Streams pool and the vendor no longer exists. He also checked to see who did the Poipu Shores pool. The vendor can't be found after he researched online. Resident Manager Womack stated that two of the three bids are acceptable and he's still working with the vendor on the third bid. President Barnard reported that the Board is talking about tiling the pool and not just replastering. Treasurer Moore advised that the Board will work with Resident Manager Womack to work on the bids to do three things 1) get an addendum price if all the plaster has to be removed, 2) inspect as may tile pools with Tropic and Pacific

Island Pools as possible, 3) obtain references from all three vendors, and 4) obtain cost of one inch tiles.

- C. Fumigation Preparation: Resident Manager Womack posted a notice on the doors to the empty units so if anyone checks in they will be aware of the fumigation. Vice President Sharp has been contacting owners and has been compiling the owner contact information. President Barnard advised that the PK employees will be on site during the fumigation helping with security.
- D. Loan Refinance Approval: Motion by Treasurer Moore, Seconded by Vice President Sharp to refinance the PK loan at 4% for 10 years. There will be \$1,200 in fees that will be split evenly amongst owners still paying the loan. It will cost approximately \$33 per owner; motion carried.
- E. Koi Bridge Repair Status: President Barnard reported that Bob Eakin accepted the job that the Board approved at the last Board meeting. Resident Manager Womack has ordered the materials that helped save money. The project is in process.
- F. Sprinkler Install Status: President Barnard advised that the sprinklers are a work in process and it's looking really good. Resident Manager Womack sent a picture to the Board showing where the sprinklers are now reaching.
- G. David's Project List: President Barnard asked the Board to collectively think about what projects are a priority and provide input so that the project list can be kept up to date.

V. NEW BUSINESS:

- A. BBQ Area Lighting Upgrade: Secretary Martin sent a copy to the Board with the pictures of lighting with the BBQ. Secretary Martin will look into adding some lights that are aesthetically pleasing that possibly match the new lighting of the building and provide light to the BBQ area.

VI. OWNER'S FORUM: None

VII. EXECUTIVE SESSION: The Board of Directors went into Executive Session at 9:38 A.M. to discuss Legal Matters, and adjourned from Executive Session at 9:54 A.M.

VIII. NEXT MEETING: The next Meeting of the Board of Directors will be **AT THE CALL OF THE PRESIDENT.**

IX. ADJOURNMENT: There being no further business to discuss and hearing no objections, President Barnard adjourned the meeting at 9:54 A.M.

Submitted:

AOAO PRINCE KUHIO
REGULAR BOARD OF DIRECTORS MEETING
TUESDAY, MAY 30, 2013
Page 3 of 3

HAWAII FIRST

Managing Agent for the:

AOAO PRINCE KUHIO

Shana Maguire

Community Association Manager, Recording Secretary

MINUTES
AOAO PRINCE KUHIO
REGULAR MEETING OF THE BOARD OF DIRECTORS
Conference Call #1-605-475-4000
Access # 421237
Thursday, July 22, 2013

- I. **CALL TO ORDER:** Noting the presence of a quorum, President Barnard called the Meeting to order at 1:34 P.M. (HST).

Present: Via Conference Call: President Jack Barnard, Vice-President Harry Sharp, Treasurer Doug Moore, Secretary Mike Martin, and Director Paula Green

Excused: None

Invited: Hawaii First, Inc., Property Manager Shana Maguire and Resident Manager David Womack

Owners: None

- II. **MINUTES:** Motion by Vice President Sharp to approve the Minutes of the Regular Board of Directors Meeting held on May 30, 2013; motion carried.

III. **TREASURER'S REPORT:**

Treasurer Doug Moore provided an oral report.

IV. **UNFINISHED BUSINESS:**

A. **Lighting Fixture Install Status:** Treasurer Moore reported that he's talked with Resident Manager Womack regarding the installation. He found that the doorframe on the front buildings are different than the back buildings causing the lighting fixtures to look too low. The middle building second and third floors will need to be mounted three inches down from the door frame. Motion by Treasurer Moore to approve \$2500 for the lighting project pending the prototype for the second and third floors and securing a contractor; motion carried.

B. **Pool Repair:** President Barnard advised that there were three bids previously. A fourth bid has been received that appears to be very thorough and professional. The pool repairs will be made in July 2014. Secretary Martin will take all of the bids and compile the information so that the Board can compare apples to apples.

C. **Koi Bridge Repair Status:** President Barnard reported that this project has been completed. Pictures were sent to the Board and owners.

D. **Sprinkler Install Status:** President Barnard advised that this project has been completed.

- E. Dave's Project List: President Barnard will send an updated project list so the Board can prioritize the projects.
- F. BBQ Area Lighting Upgrade: This agenda item is tabled until Secretary Martin is on island in October. He will work with Treasurer Moore.
- G. New Loan Wrap Up: Treasurer Moore reported that the loan refinance has been completed. The owners still paying the loan have received their new payment coupons.

V. NEW BUSINESS:

- A. Construction House Rule Amendment: Motion by President Barnard to change existing construction noise House Rule back to the way it was originally; Director Green opposed. Motion carried. The revised House Rules will be distributed to the owners.

Proposed change from:

“Construction: Construction or maintenance activities are limited to the hours of 9:00 a.m. to 5:00 p.m., Monday through Friday and 10:00 a.m. to 2:00 p.m. Saturday. Noise must be kept to a minimum at all times. Owners or contractors must check with manager for specific instructions before starting major work.”

Proposed change back to:

“Noise: Construction or building activities being done on the premises shall be restricted to the hours of 9:00 a.m. to 5:00 p.m., Monday through Saturday, and 10:00 a.m. to 2:00 p.m. Sundays. Complaints about noise should be reported to the management for appropriate action. Noise must be kept to a minimum at all times.”

- B. Gutter Damage from Fumigation: President Barnard reported that there is a \$5,000 deductible with Insurance Associates. Resident Manager Womack advised that a couple of bids have been received. There is concern from the vendors about damaging the walkable roofs. Treasurer Moore will work with Resident Manager Womack and come up with some options.

VI. OWNER'S FORUM: None

VII. EXECUTIVE SESSION: The Board of Directors went into Executive Session at 2:54 P.M. to discuss Legal Matters, and adjourned from Executive Session at 3:13 P.M.

VIII. NEXT MEETING: The next Meeting of the Board of Directors will be **AT THE CALL OF THE PRESIDENT.**

IX. ADJOURNMENT: There being no further business to discuss and hearing no objections, President Barnard adjourned the meeting at 3:13 P.M.

Submitted:

Mike Martin, Secretary

HAWAII FIRST
Managing Agent for the:
AOAO PRINCE KUHIO
Shana Maguire
Community Association Manager, Recording Secretary

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

Disregarded entity. Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

Note. Check the appropriate box for the federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.