

**NAPILI VILLAS
ASSOCIATION OF APARTMENT OWNERS
ANNUAL OWNER'S MEETING
Saturday, April 13, 2019**

DIRECTORS PRESENT

Vice President; Susan Barron, Treasurer; Christina Vansidener

Present Via Teleconference:

David Hanken, President

OWNERS PRESENT

Registered with Quam Properties.

OTHERS PRESENT

Rod Quam, Quam Properties, Inc. President; Barbara Pankey, Bookkeeper, Quam Properties, Inc.; Greg Rosenblum, Property Manager, Quam Properties, Inc.; Jim Cribben, Site Manager

CALL TO ORDER

President Hanken called the Annual meeting of the Association of Apartment Owners of Napili Villas to order at 10:05 a.m. on Saturday, April 13, 2019 at the Kumulani Chapel Barn, Kapalua, Hawaii.

INTRODUCTIONS

The President introduced the management team. The Board and the owners introduced themselves.

DETERMINATION OF A QUORUM

The Bylaws of the Association of unit owners specifies quorum exists when more than 50 percent of owners are present, in person or by proxy.

Owners comprising 53.7 percent are present in person or represented by proxy, thus constituting a quorum.

PROOF OF NOTICE OF MEETING

A notice of this Annual meeting was sent to all owners of record on March 11, 2019. A copy of the notice and the Certificate of Mailing will be made a part of the Annual meeting file.

PARLIAMENTARY PROCEDURE

In accordance with 514B-12(d), Hawaii Revised Statutes, this meeting will be conducted using the most recent edition of Robert's Rules of Order Newly Revised. The meeting rules are included in the owner's handout for this meeting. There was no objection to adopting the meeting rules as presented.

APPROVAL OF MINUTES OF PRECEDING MEETING

The minutes of the last Annual meeting were available when members signed in. Hearing no objections, the reading of the minutes was waived.

The 2018 Napili Villas Annual Owner's meeting minutes were presented for approval.

Motion:

To approve the 2018 Napili Villas Annual Owner's meeting minutes, as presented. (Barron/Vansidener)

CARRIED unanimously.

REPORT OF OFFICERS

PRESIDENT'S REPORT

None.

SITE MANAGERS REPORT

Site Manager Jim Cribben presented his report. The report was accepted and is on file. Mr. Cribben highlighted the following completed and upcoming projects:

- All units are being inspected for any plumbing related issues; the project is ongoing until all units are inspected.
- Dry rot repairs are ongoing.
- The Rain Gutter project will begin in May. The details and scope of work of the project will be made available to the ownership prior to the work starting.
- The curb repair contract has been approved; the project will start in the middle of May 2019.
- The landscaping crew was acknowledged for their dedication to the property; the property is very well maintained by the landscaping crew.

PROPERTY MANAGER'S REPORT

Greg Rosenblum presented the property manager's report. Mr. Rosenblum's report was accepted and is on file. Mr. Rosenblum highlighted the following:

- Maui Disposal Refuse service invoices were running over budget by approximately \$1,000; the fees were renegotiated from \$5,500 monthly to \$4,800.

- A billing error from 2002 was corrected from the Maui Department of Water; a refund of \$51,921.83 was obtained for the Association.
- The Architectural submission/application form was discussed. Owners that are completing any type of remodel/renovations are to complete this form and return it to the management company and or the resident manager for approval prior to starting their remodel/renovations.
- The Bird Plug Project has been completed.
- The feasibility of adding electric car charging stations was briefly discussed and will be further investigated.
- Escrow demand notices are done officially by the Quam Property staff on the behalf of the owners.
- The owner's email list is almost complete; thus, increasing communication to the owner's about pertinent information about the Association.

MANAGING AGENT REPORT

Mr. Quam presented his report. He acknowledged the Napili Villas staff and Board for their dedication to the owners. Site Manager, Jim Cribben is approaching his tenth year at Napili Villages and he was acknowledged for his tireless dedication to the community and to the owners.

Proxy Incentive Drawing winner for \$100 is Steve Lundborg.

Mr. Quam's report was accepted and is on file. Mr. Quam highlighted the following:

- The year-end financials were discussed. *(Detailed financials were available in the meeting packet and are on the owner's website for review.)*
 - At year's end 2018 the Association had \$286,186 Cash and \$869,928 in Reserves which totals \$1,156,114.
 - Finished 2018 \$30,795 over budget with a year-end loss of \$5,186. The items over budget included; trash collection, \$6,697, Landscaping, \$2,880, Pest control, \$1,065, Security patrol, \$1,872, Water/Sewer, \$14,833, Repair and maintenance, \$1,235 and Insurance, \$1,368.
 - There was additional income of \$23,600 from rental revenue and \$3,000 additional income from recycling.
 - Reserve Expenses in 2018 were \$48,952 and includes: exterior siding repairs, vent plug project and fence repairs.
- There will be a small increase in maintenance increase for 2019 to cover the increased cost in utilities, landscaping, management fee, security patrol and insurance.
- The financial report through March 2019 was discussed:

Napili Villas
Apartment of Association Owners
Annual Owner's Meeting
April 13, 2019

- Cash = \$ 313,318
- Reserves = \$ 897,080
- **Total = \$1,210,399**
- \$8,826 under budget with a gain of \$16,035.
- Since January of 2018 there have been twenty-six (26) sales on record with sale prices ranging from \$430,500 to \$650,000.
- There are currently two (2) active listings and both are pending sales.
- The owner's website is www.napilivillas.org. All pertinent Association information is on the owner's website.

ELECTION OF DIRECTORS

The Board of Directors consists of five (5) members. There are two (2) positions that need to be filled on the Board of Directors, each for a term of 2-years.

Remaining on the Board are David Hanken, Susan Barron and Christina Vansidener.

Jay Jarmakani has agreed to run for another term on the Board.

Owners, Kevin Garvin, Tim Bruns and Jeffrey Thorson have expressed a desire to run for the Board of Directors.

President Hanken asked for nominations from the floor.

Hearing no further nominations from the floor, the nominations were closed. All nominees were given an opportunity to introduce themselves and give a brief synopsis of their backgrounds.

The Nominees are:

- Jay Jarmakani
- Kevin Garvin
- Tim Bruns
- Jeffrey Thorson

INSPECTORS OF ELECTION

Terry Pennington and Beth Hazur have volunteered as the inspectors of the election.

Rod Quam explained the voting procedures.

ELECTION RESULTS

The Newly elected Board of Directors are:

- Kevin Garvin
- Jeffrey Thorson

Crosby Beam and Jay Jarmakani were acknowledged for their service and dedication to the Board and the owners.

Motion to Destroy Proxies and Ballots

Motion:

To destroy all ballots and proxies after thirty (30) days. (Barron/ Vansidener)

CARRIED unanimously.

Ratify the Actions of the Board During the Past Year

Motion:

To ratify the actions and decisions of the Board of Directors in the year 2018. (Barron/ Vansidener)

CARRIED unanimously.

NEW BUSINESS

Resolution on Assessments

There is a resolution that must be considered and voted on in order that we make the proper filing of our tax returns. This resolution covers maintenance fees and unrelated income paid during the year. We collect from all of our owners, on a monthly basis, maintenance fees, which cover the cost of running and maintaining the project. At year-end, we may have a balance in our checking account, operating reserve account and other specific accounts that will carry forward to the next calendar year.

Present tax rulings indicate that these funds, if not specifically designated to be used in the following year, would be taxable. Consequently, the resolution to cover the 'rollover' of these funds meets the necessary requirements.

RESOLVED, *By the Napili Villas Association of Unit Owners that any excess of membership income over membership expenses for the year ended December*

Napili Villas
Apartment of Association Owners
Annual Owner's Meeting
April 13, 2019

2018 shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.

This resolution is adopted and made part of the minutes of the minutes of the April 14, 2018 Annual Owner's meeting. (Vansidener/Hazur)

Hearing no objections, the resolution is approved and adopted.

NEXT ANNUAL MEETING

The Annual Owner's meeting is scheduled on Saturday, April 12, 2020.

ADJOURNMENT

The meeting was adjourned by unanimous consent at 10 a.m. HST.

A brief Organizational Board meeting will follow this annual meeting.

Respectfully submitted,

Yatta Johnson

Stenographer

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