

**ASSOCIATION OF APARTMENT OWNERS OF
NAPILI VILLAS
BOARD OF DIRECTORS MEETING
August 9, 2022**

CALL TO ORDER:

President Terry Pennington called the Board of Directors Meeting of the Association of Apartment Owners of Napili Villas to order at 5:02 PM.

DIRECTORS PRESENT VIA ZOOM/CONFERENCE CALL:

Terry Pennington, Ale Stout, Stephen Phillips, Laurel Ashlock & Eddie Kramer

DETERMINATION OF QUORUM AND NOTICE POSTING:

Quorum was established. Notice was posted on property and emailed to all Directors July 26, 2022.

OWNERS PRESENT:

Annette Eberlein, #8-6; Kevin Sampson #15-4; Tim Bruns #25-3; Jo Petran #25-2; Dustin Barton #13-1; Mani Ryan #24-4; Sue Chelseth #1-8; Uli Martin #10-2.

OTHERS PRESENT:

Rod Quam, Lysa Tracy, Jim Cribben, Laura Howard and Charles Spies of Quam Properties.

APPROVAL OF MINUTES:

MOTION: To approve the minutes of April 9, 2022, as presented.
(Ashlock/Kramer) unanimous

MOTION: To approve the minutes of May 3, 2022, as presented.
(Ashlock/Kramer) unanimous

PRESIDENT'S REPORT:

President Pennington deferred an official report as most of the information will be provided under New Business items. He did note for the record that he reached out to the insurance agent for the Association and will report on estimated increases to expect.

TREASURER REPORTS BY QUAM PROPERTIES:

Lysa Tracy reported the following as of 06/30/2022:

Association had \$194,764 cash and \$382,725 reserves, for a total cash position of \$577,489

Operating expenses \$2,090 over budget for June and 29,534 over budget as of year-end due to water and Attorney costs.

SITE MANAGER REPORT:

Jim Cribben presented the site manager report and it is included at the end of these minutes

OLD BUSINESS:

High Risk Component Inspections: refer to site manager report attached to these minutes.

Insurance Costs: All Hawaii associations are facing significant increases to premiums due to mainland claims as well as claims filed by the AOA. The AOA is looking at an increase anywhere from 15-25%.

HI-5 Recycling: When investigating reinstating a recycling program for the project, it was determined that recycling on Maui (including HI-5) is no longer being shipped off-island for recycling but rather is going to the landfill. It doesn't make sense at this time to incur a cost for a recycling program that is not actually recycling.

NEW BUSINESS:

Ratify Email Vote: The board voted via email to terminate the current landscape company and engage a new vendor for services that will offer comparable services but elevate the state of the landscaping that is being neglected currently.

MOTION: To allow the Island Plant Agreement to expire 8/31/2022 per the contract and engage Maui Landscape Services, effective 9/1/2022 at a monthly rate of \$16,712 per month.
(Ashlock/Stout) unanimous

McKeon Sheldon Mehling Merger: The Board was notified that the AOA counsel, McKeon Sheldon Mehling would be merging with Berding Weil LLP, a mainland firm that has been working with MSM for several years on their construction defect litigation practice.

MOTION: To engage Berding Weil LLP as association counsel and to authorize the transfer of files to Berding Weil.
(Ashlock/Pennington) unanimous

Change of Quiet Hours:

MOTION: To change the Quiet Hours House Rule from 10pm-8am to 9pm-8am.
(Phillips/) Motion died for lack of a second

NEXT MEETING DATES:

The next Board of Directors meeting will be November 1, 2022. The 2023 budget will be reviewed and approved at this meeting.

ADJOURNMENT TO EXECUTIVE SESSION:

Upon unanimous approval, the meeting was adjourned to executive session at 6:06pm.

RECONVENE

Executive session was adjourned, and general session reconvened at 6:30pm.

ADJOURNMENT:

There being no further business to come before the Board, and with no motions from Executive Session to read into the record, the meeting was adjourned at 6:35pm.

Respectfully submitted,

Lysa Tracy, CMCA[®] AMS[®] R(B)
Quam Properties Hawaii, Inc.

NAPILI VILLAS SITE MANAGER REPORT – 8/09/2022

HIGH RISK COMPONENTS INSPECTION – As of now 167 units have been inspected out of 184 that is Napili Villas. We use a check off list and all items showing signs of corrosion/rust/age are noted. Just the timing of the inspection I believe we already avoided some leaks by sending demand letters that items that were flagged are replaced. Follow up letters for items noted are to be generated and sent to owners. As an added wall of defense water sensors are an early detection tool. A few of the units already have them it's an inexpensive item that could greatly reduce water damage. We are researching more information on type and costs. I urge that this is implemented to curb leaks and duration of water escaping into adjoining units. I want to acknowledge the amount of support received by Lysa /Laura & Charles to help with the inspection project.

VIOLATION NOTICES- There has been several Courtesy notices sent out for house rule violations. Most of these are for objects place on common areas and visitor parking.

LANDSCAPING AND GROUNDS MAINTENANCE- We have chosen to opt out of our contract with Island Plant after 8 years. The issue has been lacking manpower and proper and timely irrigation repairs not to mention tree service. This all falls on the management not the crew. The entire property shows signs that support these statements. It was time for Napili Villa to move on after several attempts to get Island Plant to fulfill the obligation of the agreement. We reached out to Maui Landscape Services and did a walk through with Terry Pennington and Eddie Kramer. We spoke in depth with owner Kalea she has a different approach with the teamwork aspect of a property the size of Napili Villas. Maui Landscape services will supply the following work schedule Monday 5-man crew / Wednesday 4-man crew Friday 3-man crew. Total man hours 384 per month. They will also be using electric blowers I know that it was mentioned it may take a week or so to replace all gas-powered blowers. The other huge improvement will be communication with a English speaking foreman that clearly understands when things are discussed and along with Kalea we will be communicating at a level that we haven't had in quite some time. I ask for patience as we transfer to this new company as they have inherited a large load of work that has slipped away from Island Plant.