

**NAPILI VILLAS
ASSOCIATION OF APARTMENT OWNERS
ANNUAL OWNER'S MEETING
Saturday, April 14, 2018**

DIRECTORS PRESENT

Terry Pennington, Vice President; Susan Barron, Treasurer; Crosby Beam, Jay Jarmakani, Directors

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.; Jarid Bortz, Operations Manager, Quam Properties, Inc.; Greg Rosenblum, Property Manager, Quam Properties, Inc.; Jim Cribben, Site Manager; Yatta Johnson, Stenographer.

CALL TO ORDER

President Hanken called the Annual meeting of the Association of Apartment Owners of Napili Villas to order at 9:03 a.m. on Saturday, April 14, 2018 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 55 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 12, 2018. 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 2017 Napili Villas Annual Owner's meeting was presented for approval.

Motion:

*To approve the 2017 Napili Villas Annual Owner's meeting minutes, as presented.
(Pennington/Jarmakani)*

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:

- Dry rot issues have been identified and repaired.
- Installed a new gate at the catch basin, allowing access to the beach.
- Repaired various areas of the chain link fence.
- Island Plant landscaping is doing a great job on property.
- The irrigation system has been monitored, thus saving the Association funds on the water bill.
- Water leaks were briefly discussed. Mr. Cribben encouraged to owners to contact him with any questions regarding solutions and preventative maintenance suggestions.
- All owners who remodel their units must present a comprehensive plan and the correct permits and licensing to the Board prior to the start of the remodel work being done.
- The Street Lights Replacement Project; changed to LED, has created several thousand dollars' worth of savings for the Association.

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:

- Mr. Rosenblum formally introduced himself to the owner's. He will be working side-by-side with the resident manager, Jim Cribben.
- The Architectural Review Process was briefly discussed.

- The operation of the water meters is being monitored to ensure that the Association is being charged correctly.
- The Board and the owners were acknowledged for their dedication to the community.

MANAGING AGENT REPORT

Mr. Quam presented his report. He acknowledged the Napili Villas staff and Board for their dedication to the owners. 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 2017 the Association had \$257,233 Cash and \$775,940 in Reserves which totals \$1,033,163.
 - Finished 2017 \$3127 under budget with a year-end gain of \$27,730. The year-end gain was due to \$18,900 rental income, \$1513 extra recycling income, \$3600 delinquent fees, \$5077 repairs & maintenance, \$2249 electric, \$1160 insurance.
 - Reserve Expenses in 2017 were \$29,583 and includes: \$8000 fence and gate repairs, \$7000 roof soffit repairs, \$10,000 vent plugs, \$5000 water line repairs (insurance deductible).
- Projected Reserve expenses for 2018 are to complete any fencing repairs and complete vent plugs.
- There will be no maintenance increase for 2018.
- The financial report through February 2017 was discussed:
 - Cash = \$ 278,024
 - Reserves = \$ 791,120
 - **Total = \$1,069,144**
 - \$405 under budget with a gain of \$2218.
- Since January of 2017 there have been nineteen (19) sales on record with sale prices ranging from \$395,000 to \$539,000.
- There are currently 7 active listings and 2 of these are pending sales; Three 3-bedroom units and four 2-bedroom units. Listing prices range from \$479,000 to \$525,000.

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, One (1) 3-year term one (1) 2-year term.

Remaining on the Board are David Hanken, Crosby Beam and Jay Jarmakani.

Susan Barron has agreed to run for another term.

Owner, Christina Vansidener has expressed a desire to run for the Board of Directors.

President Hanken asked for nominations from the floor.

Napili Villas
Apartment of Association Owners
Annual Owner's Meeting
April 14, 2018

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:

- Susan Barron
- Christina Vansidener

Motion:

To elect Susan Barron and Christina Vansidener, by acclamation, to the Board of Directors. (Crosby/Jennison)

CARRIED unanimously.

ELECTION RESULTS

The Newly elected Board of Directors are:

- Susan Barron
- Christina Vansidener

Terry Pennington was acknowledged for his 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/Pennington)

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 2017. (Kepkey/Duckwood)

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 2017 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. (Pennington/Barron)

Hearing no objections, the resolution is approved and adopted.

Unit 21-6: Discussed the feasibility of installing photovoltaic in the community.

The Board has done some research with solar contractors; the contractors contacted, thus far, have not been interested in the project; however, the Board will continue to research the feasibility of adding photovoltaics to the property. The Board will attempt to obtain proposals, once received the issue will be re-visited and placed on the agenda for discussion.

Unit 21-6: Expressed concern regarding the pest control contractor.

The resident manager and the property manager are aware of the issues and will address them with the new pest contractor for a resolution.

Jennison, Unit 5-2: Expressed concern about carpenter ants in their unit.

The resident manager and the property manager will schedule an inspection with Bowman to resolve the issue.

Duckwood: Expressed concern regarding the "overgrown" trees obstructing some of the ocean views. The owner presented photos for the Board to review for consideration.

Kepkey, Unit 10-5: Inquired about the allowance of split A/C's.

Napili Villas
Apartment of Association Owners
Annual Owner's Meeting
April 14, 2018

The property manager confirmed that split A/C's are allowed on property. The installation guidelines can be provided by request from the property manager or the resident manager.

Smith, Unit 7-8: Expressed concern about the gate down to the dog park getting locked early.

Smith, Unit 7-8: Inquired about the roof bid; was under the impression that the gutters were included in the bid.

Mr. Quam confirmed that the gutters were not included in the roof bid; however, there is a plan for the gutters to be installed.

Smith, Unit 7-8: Expressed concern regarding the distribution of communication in the community.

The resident manager will ensure that all owners are informed of the work and or cancellation(s) of work being done on property prior to the commencement of the work.

Smith, Unit 7-8: Inquired about the resident manager's punch list.

The owners who have provided their email will be emailed regarding the upcoming projects.

NEXT ANNUAL MEETING

The Annual Owner's meeting is scheduled on Saturday, April 13, 2019.

ADJOURNMENT

The meeting was adjourned by unanimous consent at 10:03 a.m. HST.

A brief Organizational Board meeting will follow this annual meeting.

Respectfully submitted,

Yatta Johnson
Stenographer
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