

**ASSOCIATION OF APARTMENT OWNERS OF
NAPILI VILLAS
ANNUAL MEETING
Saturday, March 28, 2026**

DIRECTORS PRESENT: Terry Pennington, President; Stephen Phillips, Vice-President; Ale Stout, Treasurer; and Laurel Ashlock, Director.

DIRECTORS ABSENT: Art Pagnini, Secretary.

OTHERS PRESENT: Representatives from Quam Properties: Rod Quam, Managing Agent; Susan Gregory, Association Manager; Gisselle Rodriguez, Association Director; Trish Cabading, Accountant/Registrar; and Kimberly Winston, Administrative Assistant; Jim Cribben, Site Manager; and Ilse Menger, Recording Secretary, Aloha Office Services.

OWNERS PRESENT: Registered with Association Management.

ESTABLISHMENT OF QUORUM:

The By-laws of the Association of Apartment Owners of Napili Villas, specify that a quorum exists when there is present at any meeting, in person or by proxy, a majority of apartment owners.

Owners comprising 53.703% of the common interest are present in person or represented by proxy, thus constituting a quorum pursuant to the Association's bylaws.

CALL TO ORDER:

The meeting was called to order at 9:00 a.m. at the Ali'i Conference Center of the Paki Maui Resort, 3615 L. Honoapiilani Road, Lahaina, Maui, Hawaii.

PROOF OF NOTICE OF MEETING:

The Notice of Meeting, Agenda, and Proxy Form were mailed to all owners as recorded on February 27, 2026.

PARLIAMENTARY AUTHORITY:

Robert's Rules of Order, Newly Revised, will be the governing authority for this meeting in any instances not covered by the Association Bylaws or Hawaii Revised Statute 514B.

APPROVAL OF MEETING MINUTES:

The minutes of the 2025 Annual Meeting were distributed to owners via email and posted on the Association's website. A copy of the minutes was also included in the meeting packet. Hearing no objection, the reading of the minutes was waived. Hearing no objection, the 2025 Annual Meeting Minutes are approved as distributed.

PRESIDENT'S REPORT:

President Pennington expressed appreciation to the managing agent for securing an insurance provider with favorable rates. He also thanked Site Manager Jim Cribben for overseeing the selection process of the landscaping team.

FINANCIAL REPORT:

Ms. Gregory stated that the Association's Audit Report for the fiscal year ending December 31, 2025 was prepared by Roen Hirose, CPA, and was included in the meeting packet.

Financial Report Highlights for the fiscal year ending December 31, 2025:

- Total Assets: \$1,690,000
- Total Liabilities: \$72,000
- Combined Operating & Reserve Funds: \$1,620,000
- Operating Fund Balance: \$754,471
- Reserve Fund Balance: \$861,027
- Estimated Long-Term Replacement Costs: \$3,070,000

SITE MANAGER'S REPORT:

Site Manager Jim Cribben reported on the property's performance during recent storms, noting effective drainage, minimal damage, and prompt debris removal by the landscaping team. He provided updates on the new landscaping company, ongoing maintenance efforts including irrigation, tree trimming, pest control, and backflow inspections, as well as communication and staffing on site. He also reviewed current and upcoming projects including the street lighting upgrade, gutter repair, and scheduled power washing. He noted a recent e-bike battery fire and related safety considerations.

ELECTION OF DIRECTORS:

Article II, Section 1, of the project By-Laws specifies that the affairs of the Association shall be governed by a Board of Directors composed of five persons, each of whom shall be an owner, co-owner, vendee under an agreement of sale, or an officer of any corporate Owner of an apartment.

There are two (2) vacancies to fill on the Board; one (1) for a 2-year term and one (1) for 1-year term. The terms of Terry Pennington and Art Pagnini are expiring. Art Pagnini has indicated his willingness to serve an additional term on the Board and is running for re-election. Remaining on the Board are Laurel Ashlock, Ale Stout, and Stephen Phillips.

Mr. Pennington called for nominations from the floor.

Terry Pennington (04-2) was nominated by Laurel Ashlock (03-7). The nomination was seconded by Ale Stout (01-4). Hearing none further, the nominations were closed.

The nominees are Art Pagnini and Terry Pennington.

The nominees were elected to the Board by acclamation by unanimous consent as follows:

Art Pagnini	<i>elected for a two-year term</i>
Terry Pennington	<i>elected for a one-year term</i>

NEW BUSINESS:

IRS Ruling 70-604

Resolved, by the owners of the Association of Apartment Owners of Napili Villas, that the amount by which each member's assessments in the 2026 fiscal year 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 the 2027 regular member assessments in accordance with IRS Revenue Ruling 70-604.

Adopted by Unanimous Consent.

2026 Annual Meeting Minutes

Motion: *To authorize the Board to approve the 2026 Annual Meeting minutes as to form and content to expedite distribution to owners. (Waits, 01-8/Ashlock, 03-7)*

Adopted by Unanimous Consent.

Audit

Motion: *To authorize the Board of Directors to select an auditor to perform an audit and an unannounced verification of cash and to prepare the tax returns for the Association for the fiscal year ending December 31, 2026. (Rogers, 18-7/Stout, 01-4)*

Adopted by Unanimous Consent.

Ratification of Board Actions

Motion: *To ratify the actions of the Board of Directors during the fiscal year 2025. (Martin, 10-2/Kramer, 26-4)*

Adopted by Unanimous Consent.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 9:28 a.m.

Respectfully submitted,

Ilse Menger, *Aloha Office Services*
Recording Secretary