

**ASSOCIATION OF APARTMENT OWNERS OF  
NAPILI VILLAS  
ANNUAL MEETING  
Saturday, March 30, 2024**

**DIRECTORS PRESENT:** Terry Pennington, President (via Zoom); Stephen Phillips, Vice-President; Ale Stout, Treasurer; Laurel Ashlock, Secretary (via Zoom); Art Pagnini, Director.

**OTHERS PRESENT:** Representatives from Quam Properties: Rod Quam, Managing Agent (via Zoom); Clifton Handy, Association Manager; Laura Howard, Association Manager; Jim Cribben, Project Coordinator; Barbara Pankey, Accountant/Registrar; 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 54.545% of the common interest are present in person or represented by proxy, thus constituting a quorum.*

**CALL TO ORDER:**

The meeting was called to order at 9:06 a.m. Hawaii Standard Time 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 29, 2024.

**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 2023 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 2023 Annual Meeting Minutes are approved as distributed.

**PRESIDENT'S REPORT:**

President Pennington expressed his appreciation to Quam Properties for their support.

**FINANCIAL REPORT:**

Mr. Handy stated that the Audit Report for the fiscal year ending December 31, 2023 was prepared by Roen Hirose, CPA, and was still in draft format as of the time of this meeting. The Board will approve and distribute the report when available.

Financial Report for the fiscal year ending December 31, 2023:

Operating Cash:	\$100,427
Reserves Cash:	\$552,184
Current Liabilities:	\$123,071
Equity:	\$811,779
Total income:	\$1,128,159
Total expenses:	\$1,028,054

- The overall surplus was due to the excess of \$139,003 in reserve assessments received against the \$35,022 of reserve expense.
- Reserve expenditures were used to replace backflow assemblies and the replacement of the broken water pipe, roofing, asphalt, fencing, painting, lighting, and retaining wall replacements.
- Funds were moved from Morgan Stanley to Bank of Hawaii to achieve a better interest rate.

**DIRECTOR'S REPORT:**

Director Pagnini addressed landscaping, fire defense, dumpster issues, and bird nuisance problems.

**SITE MANAGER'S REPORT:**

Kyle Demsey reported on the following items:

- Contracted Maui Commercial Landscaping Inc. as of January 1, 2024 for a monthly cost of \$21,354.03. Service includes irrigation management. Coconut palms are not included in the tree maintenance.
- Replacement of plants that died due to drought and poor maintenance of previous landscape service.
- Broken water line repair on November 24, 2023.
- Ongoing projects include: pressure washing and painting of stairwell landings, building inspections for violations, bulletin board installations on all dumpster enclosures, and ongoing sprinkler checks to ensure proper watering.

**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, for a two-year term each, to fill on the Board.

Directors whose terms are expiring are: Terry Pennington and Laurel Ashlock. Stephen Phillips, Allesandra Stout, and Art Pagnini remain on the Board. Terry Pennington has agreed to run for re-election.

Mr. Handy called for nominations from the floor. Hearing none, the nominations were closed.

Hearing no objection, Terry Pennington was re-elected to the Board of Directors by acclamation. There is one (1) remaining vacant board position to be filled in the future by the Board of Directors.

**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 2024 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 2025 regular member assessments in accordance with IRS Revenue Ruling 70-604.*

**Hearing no objection, the resolution was adopted.**

**2024 Annual Meeting Minutes**

**Motion:** *To authorize the Board to approve the 2024 Annual Meeting Minutes as to form and content to expedite distribution to owners. (Handy/Bruns)*

**Hearing no objection, the resolution was adopted.**

**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, 2024. (Handy/Bruns)*

**Hearing no objection, the resolution was adopted.**

**Ratification of Board Actions**

**Motion:** *To ratify the actions of the Board of Directors during the fiscal year 2023. (Handy/Bruns)*

**Hearing no objection, the resolution was adopted.**

**ADJOURNMENT:**

There being no further business, the meeting was adjourned at 9:33 a.m.

Respectfully submitted,  
Ilse Menger  
*Aloha Office Services*  
Recording Secretary