

HALE NAPILI
ASSOCIATION OF APARTMENT OWNERS (AOAO)
ANNUAL MEETING MINUTES
WEDNESDAY, OCTOBER 22, 2014

Board of Directors Present: Brian Cowell, Linda Levi, Carrie Mapes, Steve Straub

Owners Present: Virginia Napierskie, Kristie Landis, Dave and Jeri Moeller, Cynthia Doughty . Davis (representing #5), John and Sandy Seapy, Vic Levi, Dennis Frazier, Barby Straub

Telephone Attendance: No owners used the conference call line

Other Attendees: Jaimie Lum Lung-Kaeo, Leanna Roberts, Kim Komoku

1. CALL TO ORDER

President Brian Cowell called the meeting to order at 9 a.m. The meeting was held at Hale Napili, Maui, Hawaii.

2. DESIGNATION OF PROXY HOLDERS:

Jeanne Haag . Board of Directors
James Walker Sr. . Barby Straub
Margy Doughty Berry . Cynthia Doughty Davis
Adam Levi . Linda Levi
Laurie Labbitt Perry . Board of Directors
Scott and Linda Urquhart . Board of Directors
Gary Pitchford . Victor Levi
Louise Barrow . Board of Directors

3. APPROVAL OF MINUTES:

Corrected Minutes were distributed to owners. Dennis Frazier commented that his recollection is that James Walker was not on the telephone conference call. Leanna will check this. Dennis Frazier was also present at the meeting. James Walker was on the telephone conference.

MOTION: To approve the 2013 minutes as corrected.

Levi/Straub Unanimous approval

4. PRESIDENT'S REPORT

The 2013 / 2014 BOD has acted in good faith and worked diligently to maintain or improve the Hale Napili community.

There have been many noteworthy items that have been addressed during the last year.

These include:

1. A pretty good year for Hale Napili overall.
2. The situation at Hale Napili has remained basically the same as previously reported as there is little new news of significance to report.
3. Hale Napili is now in the midst of a post remodel quiet period. Therefore, the lack of significant issues and / or problems needs to be embraced and appreciated. This should be viewed as an excellent indicator of how well our management team and staff are doing.
4. Jamie Lum Lung Kaeo and Leanna Roberts and the HN staff have continued to do an excellent job over the last year. Thank you.
5. The HN BOD would like to express our condolences on the passing of Stacey Frazier, daughter of Dennis and Sherrie Frazier.
6. The Hawaiian Islands continue to suffer due to the lingering economic issues and the incredibly high airfares over much of the last year.
7. Hale Napili's guest loyalty has allowed us to do better than most of our neighboring properties, but we are not immune from significant external factors that are out of our control.
8. Specific details of the issues impacting HN Rental Pool operations will be discussed separately with inputs from Jamie and Leanna later in our meeting this morning.
9. Our shoreline issue continues to plod along with the bureaucratic process here on Maui. Again, more details will be presented later in our meeting this morning.
10. Owners list has been updated.
11. Next meeting is Wednesday, 10/21/15, 9:00am

Thanks for your continued support.

Sincerely,

Brian Cowell
President
Hale Napili BOD

Q. Is it possible to have future annual meetings held other than on a Wednesday to accommodate people with jobs?

A. *Historically, the meeting has been on Wednesday, but this can be reviewed in the future. Currently, one Board member is unable to attend if held closer to the weekend. We request owners comment if they prefer another day and the Board will take into consideration.*

5. TREASURER'S REPORT

2014 AOA Profit & Loss, P&L Budget vs Actual, Balance Sheet, and Rental Pool Budget vs Actual, Distribution Report were distributed.

Hale Napili severed our relationship with James & Associates this year. Kim Komoku (formerly with James & Assoc.) is now employed by Hale Napili as bookkeeper. Kim discussed accounting procedures and ongoing improvements and changes in reporting to the owners. We implemented the Reserve Study discussed last year and are accruing funds for long term and capital costs for the future.

Q. Did our insurance costs go up because of the remodel?

A. *No*

6. OLD BUSINESS

GOVERNING DOCUMENTS . Linda Levi

Two years ago a committee was appointed at the Annual Meeting to review, revise and restate AOA and Rental Pool governing documents. The committee consists of Brian Cowell, Dennis Frazier, Ray Berry, Linda Levi and Leanna Roberts who work in conjunction with Matt Pietsch, Attorney at Law. Draft copies of the documents were distributed prior to the 2013 Annual Meeting and owners were asked for comments and suggestions. If an owner was not in attendance at the meeting, they were contacted by phone. All comments and suggestions were reviewed by the committee for inclusion in the documents. Subsequent to this, the documents were submitted to the Board for final review.

Due to unforeseeable circumstances the committee was unable to complete the revisions prior to the 2014 Annual Meeting, but the documents have now been submitted to the attorney to finalize. Documents will be provided to owners when finalized and there will be a two week review period. At the end of two weeks ballots will be mailed to the owners for voting. Owners will receive a letter with detailed voting instructions including a due date for all ballots. Owners will be contacted by phone to encourage voting in a timely manner.

Documents that pertain to the business of Hale Napili but are not a part of the Governing Documents have also been reviewed and revised. These documents include: House Rules . Owners, Fine Schedule, Personal Property Form, Standard of Conditions for Units, List of Major Rental Pool Items, List of Minor Rental Pool Items. These documents do not need to be voted on by the membership but are approved by the Executive Committee and Board of Directors and made available to the members.

SHORELINE / BUILDING PERMIT . CERTIFICATE OF OCCUPANCY . Leanna Roberts

Hale Napili is located in a Special Management Zone as are all properties from basically the main Honoapiilani Road to the shoreline. Any work done on structures in this area requires going through the permitting process. In the case of Hale Napili's project, a Certificate of Occupancy (CO) is also required.

In order to get the County to sign off on permit and for us to receive our CO, they require a certified shoreline. This study is only good for one year. Our survey indicates that our beach stairs, naupaka and landing area are encroaching on state land and must be moved back or in the case of the naupaka plantings, cut back. We are working with the County to come up with a solution that will still provide beach access for our guests.

We must have a Certified Shoreline along with proof that the office/guest laundry and housekeeping buildings were permitted in order to get our final CO. In addition, the current code requires two parking places per unit and also provisions for employee parking. We are grandfathered in for our number of parking places, but still need to address employee parking.

Comments:

Q. The stairs used to be at the south end of the property. Is this area also an encroachment?

A. *Yes. Also, the stairs were washed out on a regular basis by the wave action in this area. They are better protected at the north end.*

Q. Since the shoreline measurement can change from year to year (based on mean high tide) and time of year and since the shoreline study and survey is only good for one year, is there a beneficial time of year to do this study?

A. *Possibly, we keep this in mind when organizing for the study.*

7. NEW BUSINESS

Jamie reported that she is a member of the Napili Beach Foundation which covers Flemming Beach to the end of Napili. This committee is comprised of representatives from the developments in the foundation area. Their mission is

to protect our beach assets by monitoring the new water catchment on the mountain above the lower road, invasive plant removal and water turbidity along with other influences on our area. Pat Linqvist publishes a newsletter about these matters which the Board will circulate to owners.

Jamie then reviewed office procedures regarding owner and guest reservations, use of the new ownersportal on the website for making reservations, policy if owner's unit is not available for use as requested (because owner did not reserve 13 months in advance), excess owner usage (more than 90 days/year), cancellations and housekeeping frequency.

The Hale Napili sign has been removed from the turnoff to Hui Road from the lower road. It was on private property and the owners requested we remove the sign. Jamie reports our guests do not appear to be confused by this removal and have readily found us. She will investigate if we can get the official, state green and white sign for that area.

8. RATIFICATION OF BOARD ACTIONS

MOTION: To ratify, approve and confirm all actions of the Board since the last Annual Meeting.

Frazier/Levi Unanimous approval

9. APPOINTMENT OF BOARD OF DIRECTORS

MOTION: To appoint the following owners to serve on the Board of Directors: Brian Cowell, Phil Napierski, Carrie Mapes, Steve Straub and Linda Levi

Rahn/Levi

Discussion:

Comment: Since Steve Straub is not an owner he cannot be elected to the Board of Directors of the AOA (Hawaii Civil Code Sec. 514b).

A. Accommodations can be made when the Board appoints its officers.

REVISED MOTION: To appoint the following owners to serve on the Board of Directors: Brian Cowell, Phil Napierski, Carrie Mapes and Linda Levi

Rahn/Levi Unanimously approved

10. NEXT MEETING DATE:

The next annual meeting of Hale Napili owners is scheduled October 21, 2015.

Meeting adjourned at 10:15 a.m.

Respectfully submitted,

Linda Levi, Secretary