

HALE NAPILI  
HALE NAPILI RENTAL POOL, LLC  
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: Jamie Lum Lung-Kaeo, Leanna Roberts, Kim Komoku

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1. CALL TO ORDER

President Brian Cowell called the meeting to order at 10:45 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 he was at the meeting, but not listed as being present.

MOTION: To approve the 2013 minutes as corrected.

Moeller/Levi                  Unanimous approval

4. PRESIDENT'S REPORT

See AOA Minutes of this date. The report discusses both the AOA and Rental Pool.

## 5. TREASURER'S REPORT

Financial Statements were distributed. Kim Komoku came in house in the 2<sup>nd</sup> quarter 2014 from James & Associates. Bookkeeping practices have been revamped and among other changes we now close books monthly and deduct property taxes on a quarterly basis

The March Occupancy Report was calculated incorrectly and adjustments will be made. The Occupancy Report has not been distributed for the last several quarters; it is generated independently from financial reports and booking information. Generation of this report is being updated and will resume distribution to owners, probably via the website. Owner information on the website will be password protected.

Private loans for the construction work have been retired. Deduction from distributions for construction loans should be completed by the end of 2015.

For owners with multiple units we are now able to net distributions among units.

Comments:

Q. Was there a property tax increase due to construction?

A. *Taxes are reassessed yearly by the state and may increase when we receive permits.*

Q. Do we rent rooms all year long or is there a period that we are closed?

A. *We rent 365 days/year. Office is not staffed on certain days (i.e., Christmas, Easter, etc.) but the rooms are rented.*

Kim discussed the format of the Distribution Reports and explained the column designations. Leanna and Kim will review the document and try to make it more readable for non-accounting minded owners.

Kim Komoku left the meeting at 10:50.

Steve is meeting with an Enrolled Agent to prepare our tax return. Kim does not do tax return preparation.

## 6. OLD BUSINESS

Governing Documents - The report on the governing documents for both entities was given during the AOA meeting.

Insurance . Vic Levi reported that he is investigating insurance coverage for individual units. He has interviewed a company that will provide casualty and liability for individual units as well as hurricane insurance. While the property is

already covered by insurance, the new governing documents require that individual owners carry insurance for their units. The governing documents committee recommends we obtain policies for all units and that Rental Pool pays the premiums. Vic Levi will report his findings to the EC.

Comments:

Q. Some owners have homeowners insurance that also covers the Hale Napili unit.

A. *You are welcome to keep your own insurance, too. This procedure will insure that all owners carry unit insurance and alleviate the office from having to obtain compliance information from owners on a yearly basis.*

## 7. NEW BUSINESS

Management Update . Leanna reported that tourism in all of Maui was slow starting at the end of Q2 2014. We are greatly affected by airfares which were very high. Hale Napili has repeat business of over 60%; however, people book ahead of time and when it is time to reserve airlines, the fares can often make a difference in whether a guest is able to come. People often look for condos with kitchens so they can save money on dining out as opposed to booking hotel accommodations. The three things most requested by positional Hale Napili guest in order are: 1. air conditioning 2. King sized bed and 3. Dishwasher. We are beginning to feel the competition from the glut of condominiums/shared ownership accommodations recently built on Maui.

Owners are requested to ~~like~~ Hale Napili on Facebook. Many of the younger guests use this as a source for updates on Hale Napili. [www.mauireveals.com](http://www.mauireveals.com) has glowing recommendations for our property.

Comments:

Q. Are our employee wages in line with other properties?

A. *Jamie and Leanna did a survey in the area of condominiums employees with 5+ years of service. Our average wages are at a 10% premium to the other properties. Our employees receive a Christmas bonus (Elena is on a quarterly bonus), healthcare benefits, 8 sick days, 4 weeks vacation and 9 paid holidays per year including the employee's birthday.*

*Hours are managed to the workload which is an industry-wide practice. We value our staff, they do a wonderful job and our guests seem very satisfied. Often the aloha spirit of our staff is mentioned in guest comments.*

Q. When we were here in April our unit was not as clean as in the past. Does housekeeping perhaps not have as much time to clean a unit or is there a difference in attitude toward the job?

A. *We are experiencing more room turnover (witness the increase in rentals) and deep cleaning is not performed for every turnover. Leanna will discuss quality of cleaning with Elena.*

Q. What about maintenance?

A. *Twice a year Travis (the worker who performed the reconstruction on most of the units) is brought from the mainland to do major maintenance work and unit inspection. We also employ various on-island workers to do minor maintenance in between. Joe, the gardener, is available for minor maintenance work also. We have determined it is more cost effective to bring Travis from the mainland twice a year to inspect and maintain the units all at one time rather than doing it on a piece meal basis with a local worker.*

OwnersqPortal . Website . Jamie explained the website will contain an ownersq portal or tab through which owners will receive information regarding the property. Owners will also be requested to make reservations for unit(s) through this website. In the past there have occasionally been conflicts and this will create a written record of reservations and cancellations.

#### 8. RATIFICATION OF EXECUTIVE COMMITTEE ACTIONS

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

Levi/Straub Unanimous approval

#### 9. APPOINTMENT OF EXECUTIVE COMMITTEE

MOTION: To appoint the following owners to serve on the Executive Committee: Brian Cowell, Phil Napierskie, Carrie Mapes, Steve Straub and Linda Levi

Levi/Straub Unanimous approval

#### 10, NEXT MEETING DATE:

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

Meeting adjourned at noon.

Respectfully submitted,

Linda Levi, Secretary

