

HALE NAPILI

HALE NAPILI RENTAL POOL, L.L.C.

ANNUAL MEETING MINUTES – FRIDAY, October 20, 2017

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

Owners Present: Barby Straub, Linda/Scott Urquhart, Vic Levi, Margy/Ray Berry, Margaret Jones, Sherry/Dennis Frazier, Brandon Roach, Dean Heathcote

Other Attendees: Kim Komoku, Leanna Roberts

Kim distributed meeting packets to owners containing meeting agendas, 2016 meeting minutes, financial statements, owners' distribution report proposed 2018 budget, and various articles of interest to owners of vacation rental units in Maui.

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.

2. DESIGNATION OF PROXY HOLDERS:

Virginia Napierskie (unit 1) – Brian Cowell

Napierskie Family Partners (units 2, 6, 11) – Brian Cowell

Jeanne Haag (unit 3 – ¼ interest) – Barby Straub

James Walker (unit 3 – ¼ interest) – Barby Straub

David Moeller (unit 8) – Dean Heathcote

Gary Pitchford (unit 10 – ½ interest) – Vic Levi

Marvin Rahn (unit 12) – Brian Cowell

Marlene Beumer (unit 16 – ¼ interest) – Sherry or Dennis Frazier

Louise Barrow (unit 18) – BOD

3. APPROVAL OF MINUTES

No additions or corrections were suggested to the 2016 Rental Pool Annual Meeting Minutes as distributed to owners:

MOTION: Approve 2016 Annual Meeting Minutes

Straub/Levi

Unanimous approval

4. PRESIDENT'S REPORT - Brian Cowell

The President's Report is in the AOA minutes.

Owners are reminded that the website has an owners' portal that provides easy access to financial statements and meeting minutes under the Owners' Documents tab. Accessed is as follows:

Go to: www.halenapilioao.com

Username: owners@halenapilioao.com

Password: MY808login

5. TREASURER'S REPORT

Our 3rd Q revenues were low due to airline costs, hurricanes, tenting and construction discounts during the air conditioning installation project. We were able to keep expenses in check so while revenues were down so were expenses.

Steve discussed the proposed Rental Pool budget for 2018

MOTION: Approve 2018 budget as presented

Cowell/Levi

Unanimous approval

Going forward the following language will be added to the yearend owners' statement and distribution report:

IT IS RECOMMENDED THAT YOU PROVIDE YOUR TAX PREPARER WITH THIS REPORT WHICH CONTAINS INFORMATION NOT MADE A PART OF THE ENCLOSED FORM K-1 (COLUMNS - MAINTENANCE FEES, RESERVE FEES AND PROPERTY TAXES) WHICH YOUR PREPARER MAY CHOOSE TO UTILIZE IN THE PREPARATION OF YOUR TAX RETURNS.

Kim mentioned that the TAT tax is increasing by 1% in January 2018.

6. OLD BUSINESS

Rezstream is the software we use for bookings and they also manage our website. An update is available and we will be installing soon.

7. NEW BUSINESS

a. We are sad to announce the passing of Del Beumer, part owner of #16. Del served on the board many years and was instrumental in beach management projects.

b. We have an 81% occupancy rate which is very good. Maui averages a 76% occupancy rate. Our average rental rate is \$214/night which is calculated by revenue generated by occupied nights. By year end we expect revenue of \$1,143M and project a 4-5% increase for 2018 and an average occupancy rate of \$231/night. In July we increased rates by \$15 per room category.

c. We use booking services such as Booking.com and Expedia to fill our guest calendar. Short term booking sites like Air B&B are not appropriate because we have to feature individual units not an entire property.

d. Security – There have been an increased number of thefts on the bay recently. Be sure to lock doors and cars. We are looking at new lock mechanisms for the doors which might be a keyless code system.

Q. Is it possible to get a locking system for the lanai doors on the lower level that would allow guests to lock and unlock the unit from the lanai?

A. Great idea. We will check.

Q. Uniformed security is the best deterrent to vandals. Is it possible to work with other properties on the bay to possibly hire security guards?

A. Another great idea. Office will check with Napili Bay Foundation to see if anything is in the works.

8. RATIFICATION

MOTION: Call for ratification of Board of Directors' Actions

Levi/Urquhart

Unanimous approval

9. APPOINTMENT OF EXECUTIVE COMMITTEE

Brian, Steve and Linda will stay on the Executive Committee. Brandon Roach is added to the EC. We thank Carrie Mapes for her many years of service.

MOTION: Approve slate of Brian Cowell, Steve Straub, Linda Levi and Brandon Roach for the 2018 Executive Committee of Rental Pool.

Frazier/Cowell

Unanimous approval

Historically, owners serving on the EC receive 5 days added to their owners' time allotment in appreciation for their service. In 2016 a Motion was made to continue this practice and approved by the membership.

Meeting adjourned at 11:17 a.m.

Respectfully submitted,

Linda Levi, Secretary