

HALE NAPILI  
ASSOCIATION OF APARTMENT OWNERS (AOAO)  
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, 9/30/2017 financial statements, 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 9:00 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

Brian introduced several members of the Hale Napili team who help keep our property running smoothly and in excellent condition:

Carmen – office support

Elajio (Joe) – garden and beach

Abraham – unit maintenance and beach

The owners thanked them for their dedication.

3. APPROVAL OF MINUTES

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

MOTION: Approve 2016 Annual Meeting Minutes

Levi/Urquhart

Unanimous approval

4. PRESIDENT'S REPORT - Brian Cowell

Brian introduced Brandon Roach who is part of the Napierskie Family Partners and represents the family at this meeting. Dean Heathcote was introduced. He is part owner of #4.

The 2016 / 2017 BOD has acted in good faith and worked diligently to maintain or improve the Hale Napili community.

There have been a number of noteworthy items that have been addressed during the last year.

These include:

1. An above average year for Hale Napili as we are seeing continued signs of overall economic improvement.
2. The major issues for the last year have been fumigation, big surf / big storms, installation of the new A/C units, etc.
3. Our management team and staff continue to excel. HN could not be more fortunate to have such a competent local leadership team.
4. Jamie Lum Lung Kaeo and Leanna Roberts and the HN staff have continued to do an excellent job over the last year.
5. Elena and her team continue to meet and exceed the expectations of our homeowners and guests.
6. Please take a close look at our grounds. Elajio does amazing work for our property.
7. Preventative maintenance has started to stabilize as Abraham has really taken charge of his responsibilities. We have asked Abraham (and our other key suppliers) to assist our team in maintaining our standard of condition so that we don't backslide on our improvement investments.
8. Kim has really embraced all things financial. She's tough, but fair as she continues to keep Steve (& Vic) up to date financially.
9. Another 'shout out' to Steve & Vic (for financial oversight) and to Linda (for her excellent record keeping / member communication as secretary).
10. HN needs to develop younger members. This is already happening with Brandon. Welcome. HN will need others like him in the coming years so we can get to the next generation of owner involvement (when the time is right).
11. Southwest Airlines will begin Hawaii service very soon. This will disrupt everything for the near term. Can you imagine if Southwest decides to fly inner island?
12. Hale Napili's guest loyalty & new bookings remain solid as Jamie and Leanna are closely managing our daily rates. Especially with Booking.com and Expedia.com as they really fill us up quickly at times.
13. Our shoreline issues continue. No tasks are easy nor are there any easy solutions when doing business on Maui. This will take years. More details to follow as they become available. Please note that solid or accurate information is very hard to come by on Maui.

- 14. Owners list will be updated. Please check it for accuracy / changes.
- 15. Next meeting is Friday, 10/19/18 at 9:00am.

Thanks for your continued support.

5. TREASURER’S REPORT – Steve Straub

Our balance sheet is very strong. We have sufficient reserve funds to cover the costs of the installation of the air conditioning system so did not have to do a cash call to owners. Currently, we fund reserves at a slightly higher level than necessary and Steve recommends we keep funding at current level. The Reserve Study is updated every 3 years (next due in Jan. 2019).

MOTION: Maintain annual reserve funding at \$140,000 per year

Straub/Cowell Unanimous approval

Steve discussed the proposed budget for 2018.

*Q. What was the cost of the A/C?*

A. Approximately \$240,000 including the electrical work

*Q. Have electrical bills increased due to the A/C?*

A. Since installation we have only had one electrical invoice and that was slightly higher than normal. We will need several months of history for comparison purposes.

*Q. Do we have repair people available for the A/C?*

A. Yes. We have on island and with an “on demand” basis. We do not have a maintenance contract at this time.

MOTION: Approve 2018 budget as presented

Straub/Levi Unanimous approval

6. OLD BUSINESS

There is no new information regarding our shoreline and building permits.

Air conditioning has been installed and we are informing guests on usage. Still to be installed are shut off switches when lanai doors are open. So far, guests have been thrilled with the A/C option.

Brian expressed his appreciation to Dennis Frazier for his interaction with guests during the A/C installation. The project was much more disruptive and took much longer than anticipated resulting in the dissatisfaction of many guests. Dennis acted as ombudsman and was a great interface between guests, the office and construction crews.

*Q. The project was very disruptive and guests had not been informed ahead of time in case they wanted to make other arrangements. Is it possible for the office to notify guests prior to their arrival when we have a large, disruptive project?*

A. That is a good idea and we will work with the office on this. However, often projects take much longer than anticipated so it is difficult to project timing and disruption.

The entire building was tented this year for termite control during a 3 day period. This process needs to be repeated every 5 to 7 years.

## 7. NEW BUSINESS

a. The Napili Bay Foundation (of which we are a member) is active in beach and reef protection on our bay. Unfortunately, there are not many options available for protecting the beach from the actions of the surf. Sea walls and sand pumping are being considered by property owners. Any modifications to sea walls can affect other properties and Maui County and the state of Hawaii are opposed to them. The state and county have mentioned an option called “managed retreat” whereby properties would move their structures back off the shoreline. Owners got a good chuckle out of this proposal.

Construction of the new bridge on the lower road is scheduled for 2019 or 2020 and projected as a 1 year project.

b. Solar – Scott reported that the Maui Electric program whereby extra energy is sold back to the utility has ended. Scott is meeting with solar contractors to discuss options for our property and will report back at a later date. Costs of solar are not factored into our current Reserve Study.

c. Parking lot – Hui Rd. update – Napili Village helps maintain the parking area. We are unclear exactly where our property line is. We should update our survey and try to get a clarification of our property lines.

d. Napili Village land lease – The lease expires in 2020. The land owner is trying to sell to the improvement owners, but that may not be feasible.

e. Upcoming maintenance projects – there are no major projects on the horizon at this time

*Q. Is it possible to get a foot shower back at the beach stairs?*

A. Yes. We are working on that now.

## 8. RATIFICATION

MOTION: Call for ratification of Board of Directors’ Actions

Urquhart/Levi

Unanimous approval

## 9. APPOINTMENT OF BOARD OF DIRECTORS

Brian and Linda will stay on the Board. Brandon Roach is added to the board. We thank Carrie Mapes for her many years of board service.

MOTION: Approve slate of Brian Cowell, Linda Levi and Brandon Roach for the 2018 Board of Directors of AOA.

Straub/Levi

Unanimous approval

The board appoints Steve Straub as Acting Treasurer of the AOA.

10. The 2018 Annual Meeting of the AOA is scheduled for Friday, October 19, 2018.  
Meeting adjourned at 10:30 a.m.

Respectfully submitted,  
Linda Levi, Secretary.