

HALE NAPILI AOA
BOARD OF DIRECTORS
Thursday, August 6, 2020

This meeting was conducted via email after prior telephone discussion with individual board members. Board members: Brian Cowell, Brandon Roach, Linda Levi. Steve Straub (appointed by BOD as Treasurer) invited to participate in discussions only.

Agenda and Actions:

Discussion was held regarding federal funding programs for small businesses. We have already secured a PPP loan and Brian explained the process for obtaining an SBA EIDL loan. Hale Napili shut down business in March 2020 and at this time it is unclear when we can reopen for guests. This loan may be necessary to help finance regular and ongoing financial obligations of the association and rental pool during this emergency period.

MOTION: The Board of Directors authorizes Brian Cowell to proceed in securing a SBA EIDL loan from the Federal government. The Board further authorizes Brian Cowell to obtain the loan in the name of the Hale Napili Rental Pool. The Board further instructs Brian Cowell to get 50% of the common interest vote to approve this borrowing for the maintenance, operations and administration of the property.

Cowell/Levi

All board members of the AOA approve this Motion.

Respectfully submitted,

Linda Levi, Secretary

ADDENDUM:

On August 13, 2020 a letter was sent to owners requesting authorization to obtain an SBA EIDL loan in the amount of \$150,000. A copy of this letter is attached and made a part of these minutes.

The final tally to authorize on owners' behalf was:

Yes – 16 $\frac{3}{4}$

No – 1

No response – $\frac{1}{4}$



August 13, 2020

To: Hale Napili Owners

From: Hale Napili Executive Committee

Re: EIDL Authorization/Notification of Action -- HN Partners

Dear HN Owners:

The big picture remains the same. Nobody knows when the islands will reopen or how quickly our rental business will resume. HN's operational costs continue to be burdensome for HN members.

The US CARES act provides a number of programs via the SBA to assist small businesses (like HN) to financially cope with the scale and duration of the global Covid pandemic crisis.

SBA options: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options>

The Hale Napili Executive Committee worked directly with the SBA for additional support options and have been approved for a SBA EIDL of \$150,000.

Per the SBA EIDL website, EIDL is designed to provide economic relief to businesses that are currently experiencing a temporary loss of revenue. EIDL funds are for working capital and normal operating expenses.

HN's clearly meets the SBA's EIDL criteria as our rental business remains in crisis due to the complete loss of rental business revenue.

Therefore, the Hale Napili Executive Committee has moved to secure the approved SBA EIDL out of an abundance of caution as none of us truly knows what the future holds.

The HN EIDL funds will be held until needed with the intent to reassess HN's financial needs prior to the first payment in September 2021.

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Summary of EIDL terms:

- Amount: \$150,000 (Max amount currently offered by SBA. Earlier in 2020, EIDL up to \$2M)
- 30-year term @ 3.75%
- No payment for the first 12 months
- No Pre-payment costs or limits
- EIDL's are not (currently) forgiven, but there are discussions that some or all may be forgiven
- SBA can provide additional disaster-related funds upon request

Per the HN operating agreement, this letter is requesting Hale Napili owners/partners authorize the Executive Committee to obtain the approved SBA EIDL of \$150,000.

This authorization is not an application of credit from each HN owner/partner, but an authorization of the Executive Committee to move forward on your/our behalf.

The good news is the SBA EIDL approval process is much more streamlined, so no additional documentation is required from each HN owner/partner.

Upon final approval from the SBA, Brian Cowell (as president) will be the authorized member of the Executive Committee to act on behalf of the partnership complete the final EIDL documentation.

This authorization request is extremely time sensitive as the SBA only has a small amount of EIDL funds remaining.

Please reply to this email with your vote:

- Yes, NAME & UNIT # _____, authorize the Executive Committee to obtain the approved SBA EIDL of \$150,000.
- No, NAME & UNIT # _____, do NOT authorize the Executive Committee to obtain the approved SBA EIDL of \$150,000.

Each email reply will record the votes from HN owners/partners to authorize or not authorize the Executive Committee obtain SBA EIDL.

Your prompt reply is appreciated.

Mahalo!

