

Association of Apartment Owners
Wailea Fairway Villas
Board of Directors' Meeting Minutes
February 13, 2017

Board Members Present: Judy Beneventi, President; Mike Luckado, Vice President; Edy Salenger, Secretary; Bill O'Connell, Treasurer; and Directors Tom Logan and Joe Schultz
(In Person)

Board Member Present: Mike McDole, Director
(By Telephone)

Owner Present: Sharon Cady, A101; Carol Reule, U222; AND Patti Cipro, U101

Other Attendees: Al Gat and Nell Guzman, Destination Maui, Inc.; Josh Berkeley, Site Manager; and Louise Rockett, Recording Secretary

I. DECLARATION OF QUORUM

A quorum was declared with seven Directors present.

II. CALL TO ORDER

President Judy Beneventi called the Wailea Fairway Villas Association of Apartment Owners Board of Directors' Meeting to order at 9:05 a.m. The meeting was held at Wailea Fairway Villas, Wailea, Maui, Hawaii.

III. PROOF OF NOTICE

It was certified Notice of Meeting was sent in accordance with the Association governing, and it was posted on property in compliance with Hawaii State Law.

IV. INTRODUCTIONS

Introductions were made at this time.

V. APPROVAL OF MINUTES

Corrections to the Minutes of the November 11, 2016, Board Meeting were noted.

MOTION: To approve the Minutes of the November 11, 2016, Board of Directors' Meeting as corrected.

O'Connell / Schultz Unanimous Approval

VI. TREASURER'S REPORT

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Treasurer O'Connell updated the Board on the unaudited financial status of the Association as of year-end 2016. Revenue exceeded expenses by \$19,800. The cash balance is robust, growing by \$22,000 by the end of the years to almost \$365,00. The Replacement Reserve Fund grew as well by \$220,000, and it is funded at the 74% level. There are no owners with a material delinquency. Overall, it was a good year.

VII. SITE MANAGER'S REPORT

Mr. Berkeley presented a written report, updating the Board on landscaping activities, building and project maintenance, office and administrative projects and incidence reports.

VIII. MANAGING AGENT'S REPORT

Ms. Guzman and Mr. Gat presented the Board with a written report dated February 13 2017. There are no units over 60 days delinquent. A list of units experiencing water leaks was included in the report.

Ms. Guzman has experienced challenges in soliciting proposals for the inspection / maintenance of the air conditioning equipment. She continues efforts to solicit proposals and explore options.

Two proposals for plumbing inspections were included with the information distributed to the Board.

Two termite treatment proposals were solicited to assess the extent of the termite infestation in Building E and options to address, including natural pesticides.

Three owners have indicated interest in seeking to serve on the Board and have submitted statements of interest and brief bios to Ms. Guzman.

Management answered questions the Board members had about the maintenance and inspection of the air conditioning drainage lines. The goal is to avoid costly water damages and insurance claims in the future. Responsibility was part of the discussion along with options toward resolution. Legal review of the questions was suggested.

IX. OLD BUSINESS

A. High Risk Component Resolution

A copy of the High-Risk Component Resolution was included with the information distributed to the Board. The resolution gives the Board authority to mandate owners to maintain / repair / inspect their high-risk components, to avoid water leaks and damages. It was approved at the last Board Meeting. Owners will be informed about the Resolution, including a list of High Risk Components.

MOTION: To add Dryer Vents and Exhaust Fans to the list of High-Rick Components, subject to legal review.

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Logan / O'Connell Unanimous Approval

Mr. Gat will present the Resolution to the Association Attorney, following which it will be returned to the President for distribution to the owners.

C. Emergency Preparedness

Director Schultz is tasked to form an "After the Event" Committee, serving as eyes and ears for the Site Manager, inspecting for damages and the healthy and safety of residents. The committee will answer questions by telephone that offsite owners may have. There will be a sign up sheet at the Annual Owners Meeting available.

D. Asphalt

Mr. Gat reported a RFP is being drafted for the Asphalt.

E. Insurance

A request for quotes from Insurance providers will be solicited about two months prior to the expiration of coverage. A bid will be solicited for the various deductible levels, including the \$10,000 deductible. The higher the deductible for the common area coverage, the lower the premium; however, the premium amount for individual HO6 coverage would increase.

F. Water Bill Update and Status

The Board had questions about the water bill, and Mr. Gat included the most recent water bill from Maui County with the information distributed to the Board. The bill included an annual usage comparison. He explained the reason why the Board had questions about the billing; thus, answering questions the Board had.

There was discussion about weather station operations. It appears not to be operating properly. When it rains, the irrigation system is still watering. Mr. Gat will ask the contractor to address the situation in cooperation with Mr. Berkeley.

Water exceeded budget by about \$15,000. The Budget for this line item in 2017 was increased.

G. Satellite Phone

If there were a disaster onsite, it was previously agreed that a satellite phone might be useful at Wailea Fairway Villas. If the power is lost, than cell phones are not operational. The landline might be lost as well.

Director Luckado explored options. The satellite service under consideration is also used by the military and maritime. In the event of an emergency situation, it would be an effective way to communicate with first responders, civil defense, etc. The cost of the phone would be about \$700, and the monthly service fee would be \$40. It would be used only during emergencies. The terms of the service were reviewed.

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The cost for an office cell phone is about \$20 per month. The Association would have to switch carriers to ATT. There would no longer be a need for a landline, with a cost of \$135 monthly.

MOTION: To purchase a satellite phone and associated service contract at a cost not to exceed \$1,000.

O'Connell / Salenger Unanimous Approval

H. C-201 Lease Renewal Status

Director Salenger updated the Board on the status of the lease with C-201. The tenant has been occupying the unit the past few months. They would like to extend the lease, but they understand that the unit is under foreclosure.

X. NEW BUSINESS

A. 2016 Annual Owners Meeting

The President listed Owners' Forum topics that were discussed at the 2016 Annual Owners Meeting. There was a status update on each of the seven items.

B. Drone Policy

Concern was raised about drone usage onsite. The Wailea Fairway Villas does not need to draft a specific House Rule in this regard, because the Wailea Community Association has a rule prohibiting the flying of drones in the Wailea Resort airspace. Concerns about drones should be reported to Wailea Security or Wailea Community Association.

C. Termite Situation

Termites were observed in an inspection of a unit in the attic space. Ms. Guzman solicited proposals to remediate the situation in Building E. There is also a natural option for treatment. The area where the termites were observed was in the common area. Options were discussed, including: 1) An all encompassing inspection of the buildings; 2) Inspect Buildings D, E and F; 3) Termite tenting fumigation; and 4) Spot treatment.

Actions to be taken were noted by the President: 1) Spot treat in E; 2) Inspect in Buildings D, E and F; 3) Conduct a thumbnail check of the other buildings; and 4) Ms. Guzman to conduct further research on natural options. Mr. Berkeley will schedule the inspections.

D. Clothes Line

The President noted an email from Wailea Community Association was received regarding clotheslines.

E. Roadrunner Account

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With the elimination of Roadrunner, Mr. Berkeley is looking for another provider. Options are available. Mr. Berkeley was authorized to open a Gmail email account. Owners will be advised of this new email account for Mr. Berkeley. It will be announced at the Annual Owners Meeting as well.

XI. OWNERS' FORUM

There was an Owners' Forum, and the following topics were discussed: 1) Multiple concerns about House Rules changes at the pool and usage of the kitchen facility; 2) Board authority to change House Rules and procedures; 3) Restrictions and limitations of the new House Rules at the pool and kitchen; 4) Responsibility for plumbing maintenance; 5) High-Risk Component Resolution; 6) Air conditioning drainage maintenance responsibility; 7) Suggestions for different changes to House Rules, petitioning other owners; 8) House Rules enforcement questions; 9) Insurance deductible; 10) Options to assist in enforcement of House Rules, including cameras, fines, incident reports, Neighborhood Watch and distribution of rules to tenants; 11) High-Risk component fixes; 12) Termite eradication options; 13) Parking limitations; and 14) Handicap scooter parking.

XII. ANNUAL OWNERS MEETING

The Annual Owners Meeting is scheduled for March 18, 2017.

XIII. EXECUTIVE SESSION

The Board moved to Executive Session at 11:50 a.m. to discuss personnel, contracts and legal matter.

XIV. OTHER BUSINESS

MOTION: To sign the contract with Shaun Thayer for the Audit Report.

O'Connell / Salenger Unanimous Approval

Respectfully submitted,
Louise Rockett,
Transcriptionist