

Association of Apartment Owners of Wailea Fairway Villas
Annual Owners Meeting Minutes
March 18, 2017

Board Members Present: Judy Beneventi, President; Mike Luckado, Vice President; William O'Connell, Treasurer; Edy Salenger, Secretary; and Directors Mike McDole, Tom Logan and Joe Schultz

Other Attendees: Stephanie Sisneros, Greg Rosenbloom, Paul Gomez and Nell Guzman, Destination Maui, Inc.; Josh Berkeley, Site Manager; Brian Heffernan, Maintenance Assistance; and Deidre Rockett, Recording Secretary

I. DECLARATION OF QUORUM

A quorum was declared with 58.10% of the owners represented either in person or by proxy.

II. PROOF OF NOTICE

It was certified Notice of Meeting was sent to all owners of record on January 11, 2017, in accordance with the Association governing documents, and it was posted on property in compliance with Hawaii State Law.

III. CALL TO ORDER

President Judy Beneventi called the Association of Apartment Owners of Wailea Fairway Villas Annual Owners Meeting to order at 9 a.m. The Meeting was held at the Wailea Fairway Villas, Wailea, Maui, Hawaii.

IV. MEETING RULES OF CONDUCT

The President announced meeting business would be conducted according to Roberts Rules of Order, Newly Revised. A copy of the customary meeting rules was distributed to owners at registration and were briefly reviewed.

V. INTRODUCTIONS

Introductions were made at this time. New owners in attendance introduced themselves.

VI. APPROVAL OF MINUTES

The Minutes of the March 12, 2016, Annual Owners Meeting were included with the information distributed to owners at registration. The Board has reviewed and approved the 2016 Minutes. With no objections voiced, the President waived reading of the Minutes of the 2016 Meeting.

MOTION: To approve the Minutes of the March 12, 2016, Annual Owners Meeting as presented.

Dennis Adams / Constance Atwood Unanimous Approval

VII. TREASURER'S REPORT

Treasurer O'Connell reported that the Association is in good financial health. He reminded owners that monthly financial statements and audits are posted on the Association's website.

He reviewed the Statement of Cash Flow. The Association started 2016 with about \$343,000 in Operating Cash and increased this amount to \$365,000 throughout last year. The strong cash position gives the Association a good cushion against unknown expenses, as well as the opportunity to capitalize on cost-saving investments such as solar.

The Treasurer said a healthy Reserve Fund represents a safety net for owners in terms of special assessments. At year-end for 2016, the Reserve Fund had grown to \$1,287,000. The fund pays for major repairs and replacements to the common elements. The Reserve projects are currently 72 percent funded, which is very good, and the Board has a goal to be 100 percent funded over time.

Owners' fees were not raised in 2017; in 2016, fees were raised 1.5 percent. The Treasurer said the inflation environment has been relatively low, water and oil costs are presently down, the photovoltaic system helps lower electricity costs, and the Association aggressively renegotiates contracts where possible, among other factors.

For the second year in a row, the Association has no new major delinquencies.

Reviewing the Income Statement, the Treasurer said that during 2016, the Association's expenses exceeded revenues by about \$10,000 due to Bad Debt Expense.

VIII. SITE MANAGER'S REPORT

Mr. Berkeley said 2016 was an incredibly busy and productive year. He took over the position as Site Manager about a year ago. He said his Maintenance Assistant is reliable and hardworking, and he has done an amazing job.

Projects completed during the past year include: 1) Replaced the electronic gate system; 2) Installed a sun shade in the gym; 3) Completed two remodels of the office in-house; 4) Installed a handrail at the entry steps of Building E; 5) Removed eight abandoned bikes at the bike rack; 6) Cleaned out the electrical storage closets and replaced/repainted six of them; 7) Bird-proofed the lanai columns; and 8) Painted the dumpster enclosures, fire hydrants, mailboxes and handrails.

Mr. Berkeley said it's difficult to get New Tenant and Guest Registration Forms filled out for the 118 units; he asked owners to help. Guests and tenants should also receive a copy of the property rules and regulations, which can be printed from the Website or picked up by the Site Manager's door. This can help him investigate and enforce violations of the House Rules.

Parking is an issue on the property. The Maintenance Assistant helps monitor the parking

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lots and places parking violation notices on cars lacking the proper permit stickers and temporary guest tags. All cars parked on the property between 10 p.m. and 8 a.m. are required to have a permit, whether a temporary or permanent sticker. The Association allows one car per bedroom; the Board and Site Manager have decided to provide a grace period, until August 1, 2017, to give those who have more cars than allowed a chance to move the vehicles off the property. This will open up more available parking spots for everyone. Owners leaving the property for a long period of time are asked to park their car in a non-reserved stall in a non-congested area.

Water leaks were an issue last year, with eight incidents. Four leaks were caused by air conditioner drain line clogs. Owners are encouraged to contact a professional air conditioning company to clean their lines. The staff will use a vacuum to suck out the drain lines from the exterior of the buildings. To prevent leaks, owners should also shut off their water when they leave the island for more than three days. Owners can contact the staff if they want assistance.

Mr. Berkeley has a new e-mail account and address: waileafairwayvillas@gmail.com. The old account will be shut down in the near future. The office landline will also be closed, and a new cell phone will be acquired. Owners will receive the new phone number via e-mail. A satellite phone has been purchased for the office in the event of a natural disaster.

He concluded by thanking owners and the Board for their support.

IX. MANAGING AGENT'S REPORT

Information from the Managing Agent was distributed to owners at registration. Ms. Guzman recognized the volunteer Board and staff for their hard work.

Owners are required to have HO6 insurance coverage, as Association insurance does not extend to the interior of the unit, with the exception of the original carpet, drapes and appliances. HO6 provides the \$5,000 deductible as well as liability insurance coverage and interior unit improvements and upgrades.

She provided contact information for the Association's insurance agent, so owners can get more information on insurance coverage.

X. PRESIDENT'S REPORT

President Beneventi said Wailea Fairway Villas is a wonderful property with an outstanding staff.

Last year was a transitional period for the Association. Site Manager Sam Schreiner departed, and there was a lot of transition among agents at Destination Maui Inc. With the oversight of the Board and the hard work of the staff, the Association weathered the changes well.

The President thanked the Site Manager for his hard work. His replacement, Mr. Heffernan is also very dedicated and hardworking. The Association has a part-time employee, who always goes above and beyond what is expected of him. Thus, the Association has a great

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team.

The President reminded owners to exercise patience, common sense, courtesy and aloha to keep Wailea Fairway Villas a great place to live.

She reminded owners there is an Owners' Only section on the Website. Usernames and passwords are required in order to access, and she outlined login instructions. Contents posted in that section include newsletters, Minutes, Resolutions, changes in House Rules, financial statements and steps to take in an emergency situation.

XI. ELECTION OF DIRECTORS

A seven-member Board of Directors governs the Association. With the terms of Directors Judy Beneventi, Tom Logan and Joe Schultz expiring, there are three vacancies on the Board for three-year terms. The following owners have expressed an interest in serving on the Board, and their names have been placed on the ballot: Tom Logan, Joe Schultz, Mark Waite and Tara Weikum. The President called for nominations from the floor. With no further nominations, the President declared nominations closed. Ms. Sisneros explained the election process. The candidates introduced themselves.

Two volunteers, Gary Salenger (F101) and Dennis Adams (B102), were appointed to serve as inspectors of election to assist in tabulating the votes.

MOTION: To move ahead with the Agenda, including Old Business and New Business, then go into recess and conduct an Owners' Forum. By then, voting will be completed and tallied, and the results of the election will be announced.

Joe Schultz / Tom Logan Unanimous Approval

XII. OLD BUSINESS

A. Use of Reserved Parking Spaces

At last year's Annual Owners Meeting, the Board received a request to evaluate the use of reserved parking places and look into the option of letting owners change parking places. The Board consulted with its attorney. They are deeded parking slots, so the Association cannot make changes; however, owners may swap parking spaces with help from an attorney.

B. Numbers of Guests

Owners inquired about limiting the number of guests. The Association's attorney said that if owners want to make a change to the number of guests, and how guests are handled on the property, it must be accomplished through a change to the Bylaws with a 67 percent vote of approval by owners. Amid transition of its staff and management, the Board did not pursue this initiative last year.

C. Owners' Requests

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The President noted that many requests made by owners at the 2016 Annual Owners Meeting were accomplished: thorn-less ground cover was installed at the X Building; the sun shade was installed at the fitness area; landscaping requests were met by Island Plant; and owners were encouraged to recycle old appliances.

XIII. ANNUAL RESOLUTIONS

MOTION: Be it Resolved, that any excess of membership income over membership expenses for the year ending December 31, 2017, shall be applied against the subsequent tax year member assessments as provided by Internal Revenue Service Ruling 70-604.

Sydney Kirkland / Gordon Johnston Unanimous Approval

The Association does not have earthquake insurance due to the high cost, risk calculation and the deductible. The terms of the earthquake insurance were reviewed. The Association is not in a FEMA-designated Flood Hazard Zone and does not carry Flood Insurance coverage.

MOTION: To ratify the Board decision to not carry earthquake and flood insurance due to the prohibitive expense in securing these insurance policies.

Constance Atwood / Alexander Velto Unanimous Approval

XIV. OWNERS' FORUM

The Meeting was recessed at 9:59 a.m. to conduct an Owners' Forum. Regular Meeting business resumed at 10:16 a.m.

XV. ELECTION RESULTS

Tom Logan, Tara Weikum and Mark Waite were elected to the Board for three-year terms.

The newly elected Board of Directors will hold a short Organizational Meeting after the Annual Meeting to elect officers and set future Meeting dates.

MOTION: To destroy all proxies and ballots 30 days after this Meeting.

Gary Salenger / Dennis Adams Unanimous Approval

The President and Director Schultz were recognized for their hard work and service on the Board.

XVI. NEXT ANNUAL MEETING DATE

The next Annual Owners Meeting was scheduled for March 10, 2018, at 9 a.m.

XVII. ADJOURNMENT

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There being no further business, the meeting adjourned at 10:21 a.m.

Respectfully submitted,
Louise Rockett
Transcriptionist

Approved for distribution by

**RESOLUTION OF THE ASSOCIATION OF APARTMENT OWNERS OF
WAILEA FAIRWAY VILLAS**

**RE: EXCESS INCOME APPLIED TO THE FOLLOWING YEAR'S ASSESSMENT
REVENUE RULING 70-604**


**WHEREAS, the Association of Apartment Owners of Wailea Fairway Villas is a
Not For Profit Corporation duly organized and existing under the laws of the State
of Hawaii;**

**WHEREAS, the members desire that the Corporation shall act in full accordance
with the rulings and regulations of the Internal Revenue Service;**

**NOW, THEREFORE, the members hereby adopt the following resolution by and on
behalf of the Association of Apartment Owners of Wailea Fairway Villas.**

**RESOLVED, that any excess of membership income over membership expenses for the
year-ended December 31, 2017, shall be applied against the subsequent tax year member
assessments as provided by IRS Revenue Ruling 70-604.**

**This resolution is adopted and made a part of the minutes of the meeting of March 18,
2017, Annual Owners Meeting.**

By:  _____
PRESIDENT

Attested:  _____
SECRETARY

Association of Apartment Owners of Wailea Fairway Villas
Organizational Board of Directors' Meeting Minutes
March 18, 2017

Board Members Present: Mike Luckado, William O'Connell, Edy Salenger, Mike McDole, Tom Logan, Mark Waite and Tara Weikum

Other Attendees: Stephanie Sisneros, Greg Rosenbloom, Paul Gomez and Nell Guzman, Destination Maui, Inc.; Josh Berkeley, Site Manager; and Deidre Rockett, Recording Secretary

I. DECLARATION OF QUORUM

A quorum was declared with all Directors present.

II. CALL TO ORDER

The Organizational Board of Directors' Meeting of the Association of Apartment Owners of Wailea Fairway Villas was called to order at 10:38 a.m.. The Meeting was held at the Wailea Fairway Villas, Wailea, Maui, Hawaii.

III. ELECTION OF OFFICERS

The following Directors were duly elected by acclamation to serve as Officers: Edy Salenger, President; Tara Weikum, Vice President; Mark Waite, Secretary; and Bill O'Connell, Treasurer.

IV. NEXT MEETING DATE

The next Board of Directors' Meeting will be held on April 26, 2017, at 9 a.m.

V. CHANGES TO HOUSE RULES

MOTION: To amend the agenda to discuss the House Rules.

O'Connell / Waite Unanimous Approval

The pool rules were revised in November 2016.

The Board was uncertain on setting limits for the number of people at the pool at one time for both non-reserved and reserved times. After owners voiced concerns, the Board formed a committee, reviewed the rules and amended the limit to ten people without a reservation, including registered occupant or owners. For parties and other gatherings, the limit is 18 people, the event can last no more than four hours, and the gathering must end by 8 p.m.

There may be only one pool event reservation Friday through Sunday, and only one reservation Monday through Thursday, for a maximum of two events per week. Reservations will be accepted on a first-come, first-served basis, and only one reservation per unit may be in effect at any one time.

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To protect the environment, the proposed House Rules call for using biodegradable laundry detergent.

MOTION: To approve the changes to the House Rules.

O'Connell / Weikum Unanimous Approval

The amended House Rules will be posted on the Association's website.

Tara Weikum volunteered to serve as the Board liaison with the Web Master.

VI. ADJOURNMENT

There being no further business, the meeting adjourned at 11:02 a.m.

Respectfully submitted,
Louise Rockett
Transcriptionist

Approved for distribution by