

Association of Apartment Owners
Wailea Fairway Villas
Board of Directors' Meeting Minutes
April 12, 2019

Board Members Present: Tara Weikum, President; Mike Luckado, Vice President; Dennis Adams, Treasurer; Renee Stigers, Secretary; and Directors Mark Waite, Tom Logan and Kristi Dunning

Owners Present: Philip Kajunski, Q102; Karen Frangipane, W201; Tim Hailey, V202; and Steven Cipro, U101

Other Attendees: Steven Berger, Destination Maui; JD Livingstone, Site Manager; and Carol Simmons, Recording Secretary

I. DECLARATION OF QUORUM

There was a roll call, and a quorum was declared with seven Directors present.

II. CALL TO ORDER

President Tara Weikum 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 documents on March 21, 2019, and it was posted on property in compliance with Hawaii State Law.

IV. MEETING RULES OF CONDUCT

MOTION: To adopt the Meeting Rules of Conduct for this meeting and all future meetings, including Annual Owners Meetings and Special Meetings.

Dunning / Logan Unanimous Approval

V. APPROVAL OF MEETING MINUTES

MOTION: To approve the Minutes of the January 11, 2019, Board of Directors' Meeting.

Waite / Stigers Unanimous Approval

VI. PRESIDENT'S REPORT

President Weikum noted that the Association insurance coverage has been renewed. As long as the claim's history remains good, next year Atlas Insurance will solicit proposals from other providers.

The goal to establish an owner email list is ongoing. With a representative list of owners, the publication of newsletters will begin anew. The President will draft the next newsletter, and she asked other Directors to provide her with copy.

VII. TREASURER'S REPORT

Treasurer Adams reported that the scheduled Reserve Study is underway with Reserve Consultant Brian McCaffrey recently onsite conducting a property inspection with the Treasurer, Vice President Luckado and JD Livingstone. Mr. McCaffrey was given a list of items to be included on the Reserve Study, and a report will be forthcoming via email in one to two weeks. It will be distributed to Directors for review and recommendations and will be finalized with a next month of two.

Treasurer Adams updated the Board on the financial status of the Association as of February 28, 2019. Operating Cash is \$390,000. Expenses are on average about \$75,000 per month. Funding is available in "loose cash" in the amount of \$190,000 to address emergencies that might arise. The Association has about six months in Operating Cash.

The Treasurer reported the Association is in a very good financial position. The financial statements are posted on the Website.

Investment strategy was reviewed, including Reserve Interest Income.

Variances in expenses were reviewed, including Repairs and Maintenance. There is a positive cash flow in the amount of \$6,000. The budget is operating on target.

Accounts receivable was briefly reviewed, with minor delinquencies reported.

The balance in the Reserves is \$1,725,000. Reserves are 74% funded.

There are two projects scheduled in the Reserves for 2019, including the Reserve Study and the Metal Pool Fence. There was an evaluation of the condition of the fence. It is sturdy. The Treasurer did not consider the fence a necessary project to complete this year. He recommended monitoring.

Treasurer Adams answered questions the Board had about the status of the roofing, the condition of the photovoltaic system and the pool filter and pump.

VIII. SITE MANAGER'S REPORT

Mr. Livingstone updated the Board on Association projects and activities, including: 1) Replacement and upgrade of Golf Carts; 2) Chlorinator for pool installed, balancing the chemicals in the pool; 3) Irrigation system upgrade, with potential of drip systems added to save on water costs; and 4) Removal of palm, with plans to replace when Golf Course approves.

IX. MANAGING AGENT'S REPORT

Mr. Berger is the Account Executive representing Wailea Fairway Villas at Destination Maui. He has been working with Directors and the Site Manager and has been very busy learning the ins and out of the property. He conducted a Site Inspection with Mr. Livingstone at the end of March and will be forwarding a copy of the report to the Board.

X. OLD BUSINESS

A. Questions from Previous Owners' Forum

The President explained that the Board decided to add this item to the agenda of meetings going forward to address any updates on questions from Owners' Forums in previous meetings. She said there were no updates at this time.

B. Smoking Ballot Update

The President updated the Board on the status of the Smoking Policy Ballot. As of April 11, 2019: 59.69% of the owners voted in favor of the Smoking Ballot and 21.14% voted no. The President said 67% approval is required to implement the smoking ban at Wailea Fairway Villas, and the deadline to vote is the end of April. She recommended the Board consider the next steps to take. Options were discussed, including sending a ballot to owners who have not voted before deadline. Owners can return their ballots to DMI if they haven't voted or want to change their vote.

C. DMI Email Owner Database

The email database is proprietary and belongs to the Association. By State Law, the Managing Agent cannot incorporate the email database into their lists without the owners signing written consent forms. Some, but not all owners, signed the written consent forms at the Annual Owners Meeting. Mr. Berger suggested to correspond with the entire ownership by mail, forwarding email consent forms to those who have not signed the forms. This will lower the administrative costs of corresponding with owners by email.

MOTION: To authorize DMI to mail by U.S. Mail written email consent forms to owners who have not provided an email address to DMI.

Adams / Dunning Unanimous Approval

D. Vendor Contracts

Information distributed to the Board included a Wailea Villas Contract Summary. Atlas Insurance will be added to the list. Most of the contracts are on an Auto Renewal basis. This is a first draft of the document.

E. Update on Island Plant Roadside Renovation Project

Island Plant has almost completed the Plant Roadside Renovation Project. There is some landscaping work remaining in U Building.

F. Cyber Security

Mr. Berger noted that an Oahu firm provides all of the Cyber Security for DMI. As the same company provides the security for credit unions in the State Hawaii, DMI is comfortable with their services. DMI does not, however, have control over the hacking of a bank system. DMI's insurance does not have coverage over third party cyber-attacks. Mr. Berger will ask DMI notification policy on cyber-attacks and respond to the Board.

XI. NEW BUSINESS

A. Roles of Board Members and Site Manager

The Bylaws define the roles of the Officers of the Board, and this information was distributed to the Board.

Specifically, the President cited this information: "No Director of the Board shall be expected to engage in Board related business with any Owners and/or Tenants outside of Board, Special and Annual Meetings or via written correspondence relating to a particular Association/Board matter."

Further, "The Association employs a Site Manager who is fully accountable for all day-to-day property operations, as well as the enforcement of the Association's Bylaws, House Rules and Regulation."

This information will be posted on the website.

B. Update on Revisions to House Rules

Revisions to the House Rules have been forwarded to the Association Attorney for review. Once finalized, the Revised House Rules will be sent to the owners for feedback. Then the Board will review and formally accept, following which the Revised House Rules will be sent to all owners.

C. Adoption of Lanai Shade Resolution

The Association Attorney drafted the following Lanai Shade Resolution. There were questions and discussion about whether or not language should be added about new owner responsibility to comply and enforcement policy. Options to address these recommended additions were considered, including consulting with the Association Attorney and amending at a later date

Resolution of the Board of Directors of the Association of Apartment Owners of Wailea Fairway Villas regarding Lanai Shades:

Whereas:

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The Association of Apartment Owners of Wailea Fairway Villas ("Association") was established pursuant to Chapter 514A (now Chapter 514B) of the Hawaii Revised Statutes ("HRS"), by Declaration of Condominium Property Regime of Wailea Fairway Villas dated July 16, 1998 (the "Declaration"), filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 2476897, as amended.

The Association is governed by the By-Laws of the Association of Apartment Owners of Wailea Fairway Villas dated July 16, 1998 (the "Bylaws"), which were filed in said Office as Land Court Document No. 2476898, as amended.

The Board of Directors of the Association (the "Board") has the authority to adopt rules regarding the operation and use of the common elements pursuant to Article V, Section 4 of the Bylaws, and HRS Sections 514B-104(a)(6) and 514B-106(a); and

The apartments at Wailea Fairway Villas include the lanai air space and the interior perimeter surfaces of the lanais, pursuant to Section 4.01 of the Declaration. The lanai railings and exterior walls are common elements pursuant to Section 5.02 of the Declaration.

Under Section 19.03 of the Declaration, nonmaterial alterations made by the owners that are confined within an apartment or its limited common elements need to be approved by the Board, the holders of first mortgage liens affecting such apartments, the State of Hawaii and County of Maui (if applicable), and all apartment owners directly affected, as determined by the Board (see also Article V, Sections 3.g and 3.l of the Bylaws, which also require the Board's approval for alterations to the exterior of the buildings).

The approval of owners of a majority of the common interest is required only if the alteration affects the common elements or if the alteration is different in any material respect from the condominium map (Article V, Section 3.f of the Bylaws and Section 10.02.e of the Declaration, respectively).

The Board wishes to authorize the installation of lanai shades, which do not extend beyond the lanai railings and will be confined inside the apartments.

The installation of the lanai shade does not need to be approved by a majority of owners, nor is there any owner directly affected by the installation (other than the owner who wishes to install the lanai shade).

NOW THEREFORE, BE IT RESOLVED THAT the Board of Directors of the Association of Apartment Owners of Wailea Fairway Villas approves the installation of lanai shades under the following conditions:

1. The Owners must first complete a Request for Modification Form, available from the Site Manager. Owners wishing to install sunshades on their lanai must either use the Board approved vendor, Sky Shades Hawaii, or submit specifications for the Board's approval. The specifications from Sky Shades Hawaii, (808) 879-9600,

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www.skychadeshawaii.com, have been pre-approved by the Board. All other specifications must be approved in writing by the Board prior to the installation.

2. The following cable-retention screen and colors are approved:

Rainier fitted with the "Twitchell 90% Desert Sand" solar fabric and the housing color of "Safari Cashmere".
3. Owners are responsible for the installation, maintenance, and any repairs related to the sunshades.
4. The shades shall be installed only as motor operated. Electrical wiring must be enclosed in a conduit and routed so as not to be visible from beyond the lanai. Any metal conduit must be painted to match the existing building color in accordance with approved paint specifications. Any holes or cuts in trim or siding resulting from the installation must be properly sealed and painted to prevent insect and moisture intrusion. Owners are responsible for all related costs.
5. Lanai shades must be retracted in the evening and when owners/residents are not at home.
6. If any additional fees are incurred during regular maintenance and upkeep of the buildings' exteriors, such as painting, Owners are responsible for those fees.

RESOLVED FURTHER, that every apartment owner who installs a lanai shade or requests permission to install a lanai shade shall be conclusively deemed to have agreed to the above conditions whether or not specifically stated in a separate agreement executed by the apartment owner.

RESOLVED FURTHER, that the Board may in its discretion amend or supplement this policy.

RESOLVED FURTHER, that copies of this resolution will be sent to each and every member of the Association.

MOTION: To adopt the Resolution for Lanai Shades knowing that it will be amended at a later date.

Adams / Lucado Unanimous Approval

D. Formation of a Landscape Committee

At the Annual Meeting, there was discussion about the establishment of a Landscape Committee and other topics about landscaping. Mr. Berger provided guidelines for the responsibilities and the committee role. It would be an opportunity for owners to become involved. A Board member would serve on the committee as a director liaison.

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Kristi Dunning volunteer to serve as Board liaison, and she distributed information on proposed committee participation and guidelines. She will email this information to Directors for review, discussion, potential changes and recommendations.

MOTION: To approve the formation of a Landscape Committee, chaired by a Director of the Board. Further, it would act on an advisory capacity and make recommendations to the Board.

Luckado / Logan Unanimous Approval

XII. NEXT MEETING DATES

The next Board of Directors' Meeting will be held on Friday, July 12, 2019, at 9 a.m. The Budget Meeting was tentatively scheduled on Friday, October 25, 2019, at 9 a.m. There will be a meeting on Friday, January 10, 2020, at 9 a.m.

XIII. RECESS TO OWNERS' FORUM

The meeting recessed at 10:05 a.m. for the Owners' Forum. Regular business resumed at 10:26 a.m.

XIV. EXECUTIVE SESSION

MOTION: To recess to Executive Session at 10:41 a.m.

Stigers / Adams Unanimous Approval

Regular business resumed at 2 p.m.

XVII. ACTION FROM EXECUTIVE SESSION

MOTION: To form an Energy Preparedness Committee chaired by Kristi Dunning; further, there will be three members serving on the committee.

Adams / Waite Unanimous Approval

XVIII. ADJOURNMENT

The Meeting was adjourned at 2:00 p.m.

Louise Rockett,
Transcriptionist