

**ASSOCIATION OF APARTMENT OWNERS OF
WAILEA FAIRWAY VILLAS
ANNUAL OWNERS' MEETING
Saturday, March 16, 2024**

CALL TO ORDER:

Vice President Marc Warenski called the meeting to order at 9:02 a.m. on property.

INTRODUCTIONS:

Directors Present: Marc Warenski, Vice-President; L.A. Bannowsky, Treasurer; Joe O'Donnell, Secretary; Sharon Zurn and Kim Henry, Directors.

Directors Absent: Rick Duguay, President; and Reuven Gitter, Director.

Others Present: Mike Heller, Site Manager; Representatives from Destination Maui, Inc: Bronson Camanse, Senior Account Executive, Maile Wright, Office Manager, Mary Rose Toner, Account Executive, Li Inocencio, Administrative Assistant; and Ladini Conder, Recording Secretary, Aloha Office Services.

ESTABLISHMENT OF QUORUM:

The By-laws of the Association of Apartment Owners of Wailea Fairway Villas specify that a quorum exists when there is present at any meeting, in person or by proxy, a majority of apartment owners. *Owners comprising 58.96% are present in person or represented by proxy, thus constituting a quorum.*

NOTICE OF MEETING:

A Notice of this Annual Meeting was sent to all owners of record on January 16, 2024. A copy of this notice will be made a part of the Annual Meeting file.

PARLIAMENTARY AUTHORITY:

Robert's Rules of Order, Newly Revised, will be the governing authority for this meeting in any instances not covered by the Association Bylaws, meeting rules or Hawaii Revised Statutes 514B.

APPROVAL OF PREVIOUS ANNUAL MEETING MINUTES:

The minutes of the March 18, 2023 Annual Owners Meeting were included in the meeting packet. Hearing no objection, reading of the minutes was waived.

Motion: *To approve the Annual Meeting Minutes dated March 18, 2023 as presented. (Beneventi/Warenski)*

CARRIED unanimously.

REPORTS OF OFFICERS:

President's Report:

President Duguay provided a written report.

The past year has ushered in major changes for Wailea Fairway Villas. The following is an update on the most significant ones.

Board of Trustees: One major change has been the make-up of the Board of Directors. Of the seven Directors at the start of the year, only two remain at the time of this meeting. All of the initial Board Officers were part of the wave of resignations. As we start the Annual meeting, I am the third person to hold the position of President of the Board in one short year. This has created a very challenging situation indeed!

The Association is very fortunate to have several owners step up and fill the void. Marc Warenski, Joe O'Donnell, Reuven Gitter, Sharon Zurn and Kim Henry all volunteered to join the Board at this precarious time. In addition to their eagerness to help, they bring fresh ideas on how to improve Board performance, keep members engaged, and to bring much needed stability to our organization.

Site Manager: The Site Manager resigned at the end of 2023 after a four year tenure. This put additional stress on the newly constituted Board to maintain operations while we began the search for a replacement. Each of the Board Officers assumed portions of the Site Managers responsibility aided by Drew Morrison, our Maintenance Technician. Together, we have managed to get through this period with only minor hiccups.

Working in collaboration with our DMI partners, we are pleased to announce that we have successfully recruited a seasoned professional to fill the Site Manager's position. Mike Heller comes to us from Ke Ali'I Ocean Villas where he has worked as Site Manager for over ten (10) years. We are thrilled to have Mike onboard as part of our team!

Destination Maui, Inc. (DMI): Wailea Fairway Villas has a long history of contracting with DMI as our managing agent. We had a full service agreement with them which includes, among other things, recruitment of Site Managers and day-to-day oversight of Association operations for well over ten years until approximately four (4) years ago. At that time the decision was made to reduce the services and we contracted for just fiscal support. Effective January 1, 2024, we returned to a full service agreement with DMI and as such were able to collaborate with them on the recruitment of our new site manager. We have been assigned a seasoned DMI Account Executive named Bronson Camanse. We are excited about our expanded relationship with DMI!

DOJ Settlement: On October 1, 2019 the U.S. Justice Department filed a complaint against Hawaii-based developer, Albert C. Kobayashi Inc. who developed Wailea Fairway Villas along with other properties claiming that they had violated the Fair Housing Act (FHA). The department's lawsuit alleged that the defendants failed to design and build five multifamily housing complexes in Hawaii with required accessible features for persons with disabilities. A Consent Order was filed on October 30, 2023. As a Title 19 defendant in the case, WFV must abide by the Consent Order, but has no financial obligation whatsoever related to this case. Retrofits outlined in the Consent Order to our property relate primarily to replacing or modifying steps and overly steep slopes on sidewalks and walkways and must be completed within eight (8) years. More information is available at waileafairwayvillas.com under Current News.

House Rules Revision: An extensive review of the Association's House Rules and Regulations took place during the past year. Special attention was paid to ensuring that Fair Housing Act requirements were included in the revisions. Input from owners was solicited and the vast majority of their recommendations were incorporated into the final draft which was approved at a recent meeting of the Board.

Reserve Study: We engaged the services of Hawaii Inspection Group, Inc. in 2023 to perform our Reserve Study. The change to this company provided the opportunity to take a fresh look at the property and its long term needs. Special attention was paid to the required funding for roof replacement. We are confident that we have a solid understanding of our Reserve Funding needs as a result of this process.

Roof Assessment: We engaged the services of Commercial Roofing and Waterproofing Hawaii, Inc. from Honolulu to perform roofing assessment of our roofs' underlayment. The findings from a sampling of ten buildings was very positive. The estimated replacement date was pegged at between 2029 and 2033. Now that we have some baseline information we can develop a plan to inspect, monitor, and repair as necessary so that we can reach the full useful life of the roofs without compromising the integrity of the buildings.

Gulch Repair: We engaged the services of Maui Rock and Gravel to repair damage to the gulch from a storm that occurred in 2022. A large number of small stones were removed from the area. The larger stones were dry stacked on the side of the gulch next to V building. The gulch area was regraded and Island Plant laid sod in the newly graded area. The area is much improved aesthetically and performed well in all rainstorms since the work was completed.

Additional Updates:

- Website: The Association's webpage was reorganized and updated.
- Landscape: Replacement of the ground cover along Kalai Waa St. was completed.
- Dryer Vents: Dryer vent cleaning and duct replacement was completed.
- Pool Deck: The pool deck was cleaned and resealed.
- Car Wash Stations: Timers were installed at the car wash stations to limit their use to between 8:00 a.m. and 6:00 p.m.

Treasurer's Report:

Treasurer Bannowsky presented his report. Shaun Thayer, CPA, audited the books for the accounting year ending December 31, 2023. A copy of the 2023 auditor's report was included in the owners' meeting packet. The Association was provided a clean audit.

The financial statements for the period ended December 31, 2023 were reviewed as follows:

- Total revenue, \$1,408,000 compared to budget of 1,384,000, due to higher interest rates.
- Expenses \$1,080,000 compared to a budget of \$1,101,000, despite significant increases in some expenditure items. As of December 31, 2023 expenditures were below budget, \$21,000. This amount will be greatly reduced after state and federal taxes and insurance premiums are paid.

- Operating cash on hand, \$285,000.
- Reserve Fund balance, \$2,246,000.
- 2024 planned Reserve capital expenditures, \$151,000. Major projects include the irrigation system and closet doors under the stairways.

ELECTION OF DIRECTORS:

Article II of Section 1 of the project By-Laws specifies that the affairs of the Association shall be governed by a Board of Directors composed of seven persons, each of whom shall be an owner, co-owner, vendee under an agreement of sale, or an officer of any corporate Owners of an Apartment.

There are five (5) vacancies on the Board, which must be filled. Two (2) positions are for a three-year term each; one (1) position is for a two-year term; and two (2) positions are for a one-year term each. Remaining on the Board are Rick Duguay and L.A. Bannowsky.

The following owners have expressed an interest to be on the Board of Directors, and those names are printed on the ballot. Hearing no objection, these individuals are nominated.

1. Jim Dionizio
2. Kim Henry
3. Joe O'Donnell
4. Sharon Zurn
5. Marc Warenski

Vice President Marc Warenski called for further nominations. Hearing none, nominations were declared closed.

Logan (Z103) and McBroom (R103) were selected to be Inspectors of the Election.

The Election of Director(s) shall be by cumulative voting and by secret ballot. The voting procedures were explained.

RESULTS OF THE ELECTION:

The newly elected directors are:

Marc Warenski	118.2803%	<i>elected to a three-year term</i>
Sharon Zurn	44.8125%	<i>elected to a three-year term</i>
Joe O'Donnell	30.8646%	<i>elected to a two-year term</i>
Jim Dionizio	18.1918%	<i>elected to a one-year term</i>
Kim Henry	12.1583%	<i>elected to a one-year term</i>

A brief Organizational Meeting for the purpose of electing the officers for the ensuing year will follow the Annual Meeting.

NEW BUSINESS

Destroy Ballots and Proxies after 90 days

Motion: *To destroy all the ballots and proxies after 90 days.
(Erickson/Taylor)*

CARRIED unanimously.

Tax Resolution

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 Services;

NOW THEREFORE, the members hereby adopt the following resolution by and 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, 2023 shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.

Hearing no objection, the resolution is adopted.

Articles of Incorporation Vote

The vote for incorporating Wailea Fairway Villas was postponed.

DATE OF NEXT ANNUAL MEETING:

The next Annual Meeting was scheduled for Saturday, March 15, 2025 at 9:00 a.m. HST.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 9:45 a.m.

Respectfully Submitted,

Ladini Conder
Aloha Office Services
Recording Secretary