

Association of Apartment Owners of Wailea Fairway Villas
Board of Directors Meeting Minutes
Friday, January 26, 2024

Board Members Present: Rick Duguay, President; Marc Warenski, Vice President; Joe O'Donnell, Secretary; L.A. Bannowsky, Treasurer; and Director Reuven Gitter

Owners Present: On file at Destination Maui, Inc.

Other Attendees: Bronson Camanse, Chancellor Brown and Mary Rose Toner, Destination Maui, Inc.

I. CALL TO ORDER

President Rick Duguay called the Association of Apartment Owners of Wailea Fairway Villas Board of Directors Meeting to order at 9:08 a.m. via Zoom.

II. DECLARATION OF QUORUM

A quorum was declared with all Directors present.

III. PROOF OF NOTICE

It was certified that Notice of Meeting was sent to all Directors of record and filed in the office of the Managing Agent on January 19, 2024. This notice was also posted at the property in compliance with Hawaii State Law.

IV. CONSENT CALENDAR

MOTION: To accept the December 15, 2023 Special Board Meeting Minutes.

Warenski / Bannowsky Unanimous Approval

MOTION: To accept the October 20, 2023 Board Meeting Minutes.

Warenski / O'Donnell Unanimous Approval

V. REPORTS

A. President

The President said many changes have taken place since the Board's October meeting. He will focus on three for today's meeting.

First, the Board has reorganized due to Director resignations, and all Officer positions have been filled. There are currently two vacant positions on the Board that will be addressed later in today's meeting.

Next, the Association has entered into a management agreement with Destination Maui, Inc. effective January 1, 2024. Account Executive Mary Rose Toner will join the Board for all meetings going forward. The contract with DMI includes the recruitment, hiring, training and oversight of the Site Manager. The President explained additional facets of the management agreement. The Board is excited with its expanded relationship with DMI and looks forward to working closely with their team.

Lastly, the Site Manager resigned effective December 31, 2023. The Board is in the process of recruiting a new one — working closely with DMI — and there are several promising candidates. The Board expects to begin the interviewing process next week.

The President concluded by thanking Board members for their dedication and ongoing support. Everyone has contributed during this time without a Site Manager to keep things running as smooth as possible.

B. Treasurer

Treasurer L.A. Bannowsky provided a recap of the Association's financial position as of December 31, 2023.

The Association collected \$1,408,000 in revenues compared to a budget sum of \$1,384,000 — a surplus of \$24,000 — due largely to collection of a fine and higher interest rates on investments of Reserve funds.

Operating expenses for 2023 totaled \$1,080,000 against a budget of \$1,101,000, a 1.9% variance. The cost of some utilities, primarily water, increased last year, and the Board sought more legal counsel than anticipated in recent months.

Looking at members' restricted equity, at the close of the year, Reserve funds totaled \$2,246,000. The total at the end of 2022 was \$2,011,000. Unrestricted members' equity — primarily the Association's operating checking accounts used for day-to-day expenses — totaled \$273,000, up from \$249,000 at the end of 2022.

The 2024 Budget has been completed and distributed to owners. The balanced budget projects total revenues of about \$1.6 million and total expenses a few thousand dollars under that.

The Association's Reserve Study has been completed, and a series of projects are earmarked for 2024 that total about \$150,000 in expenditures for capital-related improvements and maintenance.

VI. OLD BUSINESS

A. Reconsideration of N103 Occupancy Accommodation for Guest Request

Tenants in N103 have requested an accommodation to the number of overnight guests that they may be allowed to have at any given time. There are five tenants, including four children, residing in the three-bedroom unit.

The Governing Documents specify that owners and tenants are allowed two people per bedroom, for a total of six, leaving them with the ability to have just one overnight guest at a time.

The N103 tenants have asked for an accommodation, which is allowed under the Association's rules. The Governing Documents and Rules also specify that owners and tenants may have up to four people per bedroom for immediate family.

A solution is to have the four children who are immediate family occupy one bedroom; this will allow one guest to share one of the remaining rooms, and two guests to share the third bedroom. This will allow the tenants to have three non-immediate family guests at any given time while staying within the parameters of the Governing Documents.

MOTION: To grant the tenants of N103 an accommodation to have up to three non-immediate family guests at any given time.

Gitter / Warenski Motion Carried (O'Donnell opposed)

B. Irrigation Controllers

The Board has requested updated bids from Island Plant Co. for different options from the manufacturer, Rain Bird.

Once the Board receives proposals, they will work to begin installation of new irrigation controllers as soon as possible, assuming there are no delays in obtaining necessary parts.

C. Roof Assessment

A roof assessment was completed in December by Commercial Roofing Inc. Roof samplings were conducted for ten buildings — A, C, E, H, L, Q, S, U, V and Y — based on their location on the property and orientation to sunlight.

The firm has a five-tier rating system, A-F, for its assessments, and the Association's results were very encouraging.

Nine buildings received "B" ratings, meaning the roof is in good condition, and that general repairs may be required and a maintenance program may minimize unnecessary leaks. The estimated replacement time for these nine buildings was pegged between 2031 and 2033, projecting a favorable 33- to 35-year lifespan for the roofs.

One building received a "C" rating, which means the roof is in fair condition. The company noted that the roof is beginning to show age-related deficiencies, and a maintenance program may minimize unnecessary leaks. Replacement for this roof was pegged at 2028 to 2031, giving it a 30- to 33-year lifespan.

With this information, the Board can plan how to monitor and repair the roofs going forward. The Association will likely partner with Commercial Roofing Inc. to assess the roofs again closer to their replacement.

VII. NEW BUSINESS

A. Appointment of Directors to Fill Vacant Positions

MOTION: To appoint Sharon Zurn and Kym Henry to fill the two vacant Directors-at-Large positions for the Board.

O'Donnell / Warenski Unanimous Approval

B. Resolution for Hot Water Leak Detectors

MOTION: To accept Resolution #2024-01, changing the reference from 3.7.5 in the current Bylaws to 3.7.4 in the proposed Revised Bylaws.

O'Donnell / Warenski Unanimous Approval

The Board will work on the compliance approach for the Resolution.

C. Update Resolution for Lanai Shades

The new Resolution adds a second approved vendor, Island Window Coverings, for installation and another approved lanai shade design for owners.

Board members recommend revising the Resolution, Item 5, to state: "It is recommended lanai shades be retracted in the evening and when owners and residents are not home."

MOTION: To approve the proposed Resolution on lanai shades with the change to Item 5 as discussed.

O'Donnell / Bannowsky Unanimous Approval

D. Non-Discrimination and Anti-Harassment Policy

The Association's attorney recommends that Wailea Fairway Villas adopt a Non-Discrimination and Anti-Harassment Policy. The proposed policy was sent to Directors for their review.

MOTION: To approve the Non-Discrimination and Anti-Harassment Policy that was distributed with one minor edit: On page 4, the line that reads: "Owners are responsible for conduct and behavior of their tenants, guests and invitees" should be changed to: "Owners are responsible for conduct and behavior of their tenants and guests."

Bannowsky / O'Donnell Unanimous Approval

E. Animal Assistance Policy

The proposed Animal Assistance Policy was drafted by the Association's attorney as a result of her review of the Fair Housing Act.

There are three edits to the document sent to Directors: 1) To delete the name Steven Berger from page 1 and strike his name from Section 8.3; 2) On page 6, under the

signature, replace President with Secretary; and 3) Replace 2023 with 2024 on the last page.

MOTION: To approve the Animal Assistance Policy with the changes as noted.

O'Donnell / Warenski Unanimous Approval

F. Revised Rules

The Revised Rules Packet was sent to owners for feedback. The President thanked owners who responded with comments and suggestions.

The President reviewed proposed edits to the Revised Rules that were sent out for owners' review.

MOTION: To accept the House Rules as amended and revised.

Bannowsky / Warenski Unanimous Approval

VIII. NEXT MEETING DATE

The Annual Meeting is scheduled for Saturday, March 16, 2024 at 9 a.m. HST.

IX. OWNERS FORUM

The meeting was recessed at 10:42 a.m. to hold an Owners Forum.

X. EXECUTIVE SESSION

The Board moved to Executive Session at 10:58 a.m. to discuss personnel and legal matters. Regular Session resumed at 11:33 a.m.

The Board passed the following Motion during Executive Session:

MOTION: To adopt our attorney's recommendation to initiate judicial foreclosure on Owner A's unit.

O'Donnell / Gitter Unanimous Approval

XI. ADJOURNMENT

The meeting adjourned at 11:35 a.m.

Mark Vieth

Mark Vieth
Recording Secretary

Approved (date): May 07, 2024

Initials: BC DMI