

**LAHAINA RESIDENTIAL
ASSOCIATION OF APARTMENT OWNERS
ANNUAL OWNER'S MEETING
1034 Front Street, Lahaina, Hawaii 96761
Saturday, February 1, 2020**

DIRECTORS PRESENT: Jerry Scheltens; President; Paul Ratterman, Vice President;
Kent Knowley, Treasurer; Joan Warner, Secretary

DIRECTORS ABSENT: Dawn Allen, Director-at-Large

OWNERS PRESENT: Registered with Quam Properties Hawaii, Inc.

OTHERS PRESENT: Rod Quam, Managing Agent; Barbara Pankey, Association Bookkeeper;
Yatta Johnson, Stenographer

DETERMINATION OF A QUORUM

The Bylaws of the Association of Apartment Owners of Lahaina Residential, specify that a quorum exists when there is present at any meeting, in person or by proxy, a majority of the apartment owners.

Owners comprising 50.10 percent are present in person or represented by proxy, thus constituting a quorum.

CALL TO ORDER

President Scheltens called the Annual meeting of the Association of Apartment Owners of Lahaina Residential to order on Saturday, February 1, 2020 on property at 1034 Front Street, Lahaina, Hawaii at 9:03 a.m. HST.

PROOF OF NOTICE OF MEETING

A notice of this Annual meeting was sent to all owners of record on January 2, 2020. A copy of the notice and the Certificate of Mailing will be made a part of the Annual meeting file.

PARLIAMENTARY PROCEDURE

In accordance with 514B, Hawaii Revised Statutes, this meeting will be conducted using the most recent edition of Robert's Rules of Order Newly Revised.

APPROVAL OF MINUTES OF PRECEDING MEETING

The minutes of the last Annual meeting were posted on the owners' website and mailed to the owners with the Annual meeting packet. Hearing no objections, the reading of the minutes was waived.

Motion:

To approve the 2019 Annual Owner's meeting minutes, as presented. (Ratterman/Warner)

CARRIED unanimously.

REPORT OF OFFICERS

PRESIDENT'S REPORT

President Scheltens presented his report.

- Quam Properties was acknowledged for their dedication to the Association and the owners.
- The Board was acknowledged for their dedication to the Board and the community.
- The roofs will be addressed in 2020.

- The gutter project will be addressed in 2020.
- The re-painting of the buildings will be addressed in 2020.
- The re-planting of the planter boxes will be addressed in 2020.

PROPERTY MANAGER'S REPORT

Rod Quam presented the Property Manager's report. Michael Deatruck is the project manager for the community.

MANAGING AGENT'S REPORT

Rod Quam presented the Managing Agent's report. Mr. Quam highlighted the following:

- There were seven (7) units sold in 2019.
- There are eight (8) leasehold units remaining.
- There are five (5) units on the market with two (2) pending sales; the sale prices range from \$280,000 to \$335, 000.
- Roofing, Building Painting and Gutter project proposals are being obtained.
- The landscape improvement projects have been very successful and have enhanced the aesthetics of the property.

TREASURER'S REPORT

Mr. Rod Quam presented the December 31, 2019 year-end financial report. *(The detailed financials were provided in the Annual Owner's meeting packet.)*

Total Cash: \$439,059

Reserves: \$753,366

Gain at year-end: \$22,787

Year-End Audited Financials

The year-end audit has not yet been completed; once complete, the audit will be made available, by request to the managing agent.

ELECTION OF DIRECTORS

Article III, Section 1 of the project bylaws specifies that the affairs of the Association shall be governed by a Board of Directors composed of five (5) persons, each of who shall be an owner, co-owners, vendee under an agreement of sale or an officer of any corporate owner of an apartment. There are three (3) vacancies on the Board which we must fill each for a term of 2-years.

The terms of Paul Ratterman, Kent Knowley and Joan Warner are expiring.

Remaining on the Board are Jerry Scheltens and Dawn Allen. Paul Ratterman has agreed to run for another term and his name has been placed on the ballot.

President Scheltens asked for nominations from the floor. Owners Gloria Kaufman, Chris Montana and Linda Salmon have expressed interest in joining the Board and their names were added to the ballot.

The Nominees are:

Paul Ratterman
Chris Montana

Gloria Kaufman
Linda Salmon

Hearing no further nominations from the floor, the nominations were closed.

INSPECTORS OF THE ELECTION

Robyn Ehrlich has agreed to be the inspector of the election.

The meeting was recessed at 9:41 a.m. for voting purposes.

The meeting was reconvened at 9:51 a.m.

ELECTION RESULTS

The newly elected Board members are: Paul Ratterman, Chris Montana & Gloria Kaufman, each for a two (2) Year Term.

Ms. Salmon was acknowledged for her interest in joining the Board. Kent Knowley and Joan Warner were acknowledged for their service and dedication to the Board and the community.

MOTION TO DESTROY BALLOTS AND PROXIES

Motion:

To destroy the ballots and proxies after thirty (30) days. (Ratterman/Montana)

CARRIED unanimously.

RATIFY BOARD ACTIONS OF 2019

Motion:

To ratify the Board of Directors actions for 2019. (McCoy/Willis)

CARRIED unanimously.

NEW BUSINESS

Resolution on Assessments

There is a resolution that must be considered and voted on in order that we make the proper filing of our tax returns. This resolution covers maintenance fees and unrelated income paid during the year. We collect from all of our owners, on a monthly basis, maintenance fees, which cover the cost of running and maintaining the project. At year-end, we may have a balance in our checking account, operating reserve account and other specific accounts that will carry forward to the next calendar year.

Present tax rulings indicate that these funds, if not specifically designated to be used in the following year, would be taxable. Consequently, the resolution to cover the 'rollover' of these funds meets the necessary requirements.

RESOLVED, By the Lahaina Residential Association of Unit Owners that any excess of membership income over membership expenses for the year ended December 2020 shall be applied against the subsequent tax year member assessment as provided by IRS revenue ruling 70-604. This resolution is adopted and made part of the minutes of the meeting of February 1, 2020.

Motion:

To adopt the IRS Resolution 70-604. (Willis/McCoy)

CARRIED unanimously.

NEXT MEETING DATE

The Annual Owner's meeting is scheduled for Saturday, February 13, 2021.

ADJOURNMENT

Motion:

To adjourn the Annual meeting. (Sheltens/Ratterman)

CARRIED unanimously.

The meeting was adjourned by unanimous consent at 10:11 a.m. HST.

A brief Organizational Board meeting will follow this annual meeting.

Respectfully submitted,

Yatta Johnson

Stenographer

Tell Me More Stenography Services