

Minutes of 7th Annual Homeowners Meeting

April 24, 2003

DIRECTORS PRESENT: Lisa Daly, George-ann Kealoha, Sharon Morris, Ann Pitcaithley, Brian Ross, and Lynn Wellner
DIRECTORS ABSENT: None
OTHERS PRESENT: Lyn Erickson, Administrative Assistant, and 22 Owners

CALL TO ORDER & INTRODUCTIONS

President Ann Pitcaithley called the meeting to order at the Paia Community Center Main Hall, Paia, Maui, at 6:45 pm and introduced Board members and Administrative Assistant, Lyn Erickson. She thanked those who sent in their proxies and explained why this is very important in establishing a quorum even if you plan to attend the meeting.

DETERMINATION OF QUORUM

The President announced that there were 22 owners present in person and 36 by proxy, for a total of 58, which constitutes a quorum of 62%.

CERTIFICATION OF MAILING

The President certified that a notice of the annual meeting was sent to all owners of record on March 25, 2003, with accompanying proxy, and that a copy of the notice will be made a part of the annual meeting file.

APPROVAL OF MINUTES

The president clarified an item that was stated incorrectly at the last annual meeting. The Association is self-managed, and Lyn Erickson is the Administrative Assistant, working under the direction of the Board.

MOTION: To approve the minutes of the April 25, 2002 annual meeting as circulated. Seconded and carried unanimously. (Sweet/Daly)

PRESIDENT'S REPORT

A copy of President Pitcaithley's report is attached to these Minutes.

TREASURER'S REPORT

Treasurer Lisa Daly reviewed the December 31, 2002 financial statements. Total income for 2002 was \$28,282, and expenses totaled \$23,253. Net income for 2002 was \$5,029, compared to \$1,270 in 2001, so we did quite well. She reviewed expenses that were substantially over budget, which included bad debts, bank charges, insurance, legal fees, supplies and equipment. These have been reduced or eliminated under our self-management. At year-end there was \$6,597 in an operating fund savings account, \$9,730 in reserves, \$2,100 in a contingency fund, and \$5,683 in the retention basin fund, for a total of \$24,110, which represents a \$5,123 increase over the prior year. As of March 31 the total amount owed for maintenance fees was zero. As of tonight six owners owe a total of \$370. The grace period was changed from 30 to 20 days, so a late fee of \$5 a month will be charged if payment is not received by the 20th of each month. Because we were able to substantially reduce many of our expenses under self-management, we were able to keep maintenance fees at \$60 per quarter in the budget for 2003.

DESIGN REVIEW COMMITTEE REPORT

Chairperson Lynn Wellner reported that there have been 22 requests for review since last April. The committee re-wrote a short list of rules which is sent to all new owners, along with a welcome letter, to help

them understand the design review process. The Committee also re-wrote a more detailed 3-page list. Copies of both of these can be obtained from Lyn Erickson. Lynn introduced and thanked Committee members Dave Dalgetty, Stan Goosby, and alternate Tal Shibley.

GRIEVANCE COMMITTEE REPORT

Chairman Lynn Wellner reported that the Board had composed and adopted a set of Neighborhood Rules and Grievance Procedures which were sent to all owners, along with a Grievance Form. In response to one owner's concerns, the Board assured everyone that common sense would govern and that the rules were intended to clarify the wishes of the majority of the community and provide a consistent means of enforcement. Some owners expressed a desire to have ongoing violations addressed, such as too many cars & vans parked on the streets, rental violations, and owners converting their garages. The Board encouraged owners to submit Grievance Forms as no enforcement could commence until a formal grievance was submitted. Submissions would remain confidential.

SELECTION OF INSPECTORS FOR ELECTION

The President asked for volunteers to act as inspectors for the upcoming election. John Harrison, Jennifer Maskrey, and Mary Sweet volunteered.

ELECTION OF DIRECTORS

The President stated that there are two vacancies for two-year terms and one vacancy for a one-year term to replace Don Varni, who resigned in October when he sold his house. She explained the cumulative voting process and the duties of Board members.

The President opened nominations from the floor. Ann Pitcaithley nominated Darlene Brothers, Nida Goulding, and Ben Bland; Sharon Morris nominated Robert Lindan. Marcy Martin, Dave Dalgetty, Michael Ebeling, Ann Pitcaithley, and Frank Firestine were nominated but declined.

MOTION: To accept the slate and close nominations. Seconded and carried unanimously.
(Morris/Daly)

The proxy ballots were distributed. Sharon Morris read a letter from Robert Lindan, who was not present, and the other three nominees introduced themselves. The ballots were explained, and the votes were cast.

ELECTION RESULTS

After a recess during which the votes were counted, the President announced that Ben Bland and Darlene Brothers were elected for two-year terms and Nida Goulding was elected to fill the remaining one-year term. Ann congratulated new Board members and thanked retiring Board members Lisa Daly and herself for their service.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

- A. **RATIFICATION OF 2003 PROPOSED BUDGET** – Treasurer Lisa Daly reviewed some items on the budget, noting that maintenance fees decreased from \$25 to \$20 per month, and expenses are budgeted for quite a bit less than in the prior year's budget.

MOTION: To ratify the 2003 proposed budget. Seconded and carried unanimously.
(Brothers/Goulding)

B. RATIFICATION OF ACTIONS AND DECISIONS OF THE BOARD

MOTION: To ratify the actions and decisions of the board of directors since the last annual meeting. (Wellner/Shyer)

OWNERS' FORUM

Owner Marcy Martin spoke and passed out flyers on the problem of rush hour traffic in Paia Town. She encouraged everyone to contact the names on the flyer to offer their input.

Owner Jennifer Maskrey said that the contractor who re-sided her house with vinyl siding provided some food for our meeting, along with brochures and samples. If anyone is interested in more information on this, they can contact her.

Owner Chris Laidman asked about the possibility of getting speed bumps. Owners' responses were that it was difficult to get enough people to agree, and that County budget cuts may preclude installing them.

Ann Pitcaithley said that she has asked the County to prune the street trees and that owners can contact County Council members Robert Carroll or Jo Anne Johnson to follow up.

Owner Mary Sweet asked when the County was going to mow the grass in the park.

Owner Steve Rose asked if it was a conflict of interest for the chairperson of the Design Review Committee and the Grievance Committee to be the same person. There was discussion and a plea for owners to join the Grievance Committee, but no one volunteered.

There was discussion on the siding issue.

Owners expressed frustration regarding short-term rentals, and garages being converted into living space such that cars had to be parked on the street. Owners were reminded that the police will enforce the County ordinance prohibiting parking on the street between 2:00 and 5:00 am if they receive a complaint.

Owner Sharon Morris requested that owners write their house number on the lid and the bottom of their trash cans so others will know where to return them when they blow down the street.

ANNOUNCEMENTS

The President reminded new Board members to stay for the organizational meeting.

ADJOURNMENT

***Motion: To adjourn the meeting. Seconded and carried unanimously.
(Morris/Daly)***

Minutes prepared by:
/s/ Lyn Erickson
Lyn Erickson, Admin. Assistant

Approved by:
/s/ Ann Pitcaithley
Ann Pitcaithley, President

Date: May 2, 2003

Minutes of Board of Directors Organizational Meeting April 24, 2003

DIRECTORS PRESENT: Ben Bland, Darlene Brothers, Nida Goulding, George-ann Kealoha, Sharon Morris, Brian Ross, and Lynn Wellner

OTHERS PRESENT: Lyn Erickson, Administrative Assistant

CALL TO ORDER AND DETERMINATION OF QUORUM

Secretary Sharon Morris called the meeting to order at 9:00 pm at the Paia Community Center Main Hall and determined that a quorum was present.

ADMINISTRATIVE ASSISTANT'S REPORT

Lyn Erickson reviewed instructions and procedures for new board members. Notices of meetings will be sent to directors four or five days prior to the meetings; notices will be sent to other owners who request them; however, if they cannot be e-mailed, the owner will have to pay for the expenses incurred. Directors requested that minutes of board meetings be sent to them as soon as possible after each meeting.

ELECTION OF OFFICERS

Motion: To elect the following officers. Seconded and carried unanimously (Wellner/Kealoha):

Ben Bland	President	Darlene Brothers	Treasurer
George-ann Kealoha	Vice Pres.	Sharon Morris	Secretary

NEW BUSINESS

Resolutions to authorize signatures of new officers on bank accounts:

Motion: That the corporate resolutions authorizing the president, vice president, and treasurer to sign on the Bank of Hawaii checking and savings accounts be adopted. Seconded and carried unanimously (Morris/Kealoha).

Schedule of board meetings – The following dates were selected for the next board meetings: July 10 and October 9, 2003, and January 8 and March 11, 2004. Meetings will be held at 7:00 pm at a location to be announced.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:20 pm

Minutes prepared by: /s/Lyn Erickson
Lyn Erickson, Admin. Asst.

Approved by: /s/ Sharon Morris
Sharon Morris, Secretary

Date: May 12, 2003

April 24, 2003

President's Report – Ku'au Bayview Annual Homeowners' Meeting

Aloha Homeowners:

This is a cause for celebration of all the achievements that have taken place within the last year thanks to the efforts of the Board members and fellow homeowners who have made great contributions to our community.

Last June the Board voted to terminate the contract with Oihana Property Management and decided to adopt self-management and hire Lyn Erickson as our administrative assistant. It was an extremely difficult transition of sorting and interpreting past records.

We are proud of what we have accomplished during the past year. At the end of 2001 we had a balance in our accounts receivable of \$2,588 compared to a \$49 accounts receivable balance at the end of 2002. In addition, we have saved money on administrative services, fees for copying and faxing documents, have consolidated mailings, cut landscaping fees in half, and have greatly reduced water consumption.

There continue to be high costs of \$2,800 per year associated with insurance premiums for the retention basin in spite of our shopping around for lower rates. We are in the process of preparing a reserve study in order to determine how much money will be needed to replace the fences and sprinklers and for routine maintenance of the retention basin. If anyone has any expertise and would like to give us some estimates on these, please let us know.

We are considering adopting a new payment plan for homeowners and would like to invite your input. Instead of quarterly payments, we would like to possibly change the payment plan to semi-annual. We can discuss this during the forum.

Some of you have noticed that the county trees on our streets (which are county streets) are in need of structural trimming. The county arborist has made bids and has submitted them to the park superintendent. There have been some budget cuts in this department, so I have, as advised by the County Arborist, contacted the mayor and urged him to fund for the trimming. I do not feel that trimming these trees should have to come out of the Association budget. Just to remind everyone that it is the homeowners' responsibility to water the trees, and it is a crime to cut these trees down. On the subject of trees, I have some news about the type of trees that are inappropriate for homeowners to plant in their yards. There are some trees (ficus, royal poinciana, monkeypod, koa, wiliwili, jacaranda, and shower) that have intrusive roots which can invade sprinkler systems, pipes, walkways, etc. They are more suited for parks and not our small lots. I have provided a copy of the Maui County Planting Plan which lists these trees.

We are also proud of the new grievance procedure that has recently been designed. Prior to this there was no clear-cut protocol for identifying what constitutes a violation, reporting a grievance, system of fines, or method of enforcement. Unfortunately, there have been violations taking place within the last six years that were never reported. Another issue that is occurring less frequently since our new system of management is the problem of escrow companies failing to inform home buyers of the existence of the Association. This happens more with internal sales. I think it is important to mention this since there have been many homes here on the market lately.

Regarding the streamlining of communication, I would like to encourage you to offer Lyn Erickson your e-mail address if you have one. She and the President are the only ones authorized to use these addresses for Association-related communication. Messages will be blind copied so that other recipients will not see the others' e-mail addresses.

Lastly, I know that everyone would like to know about the defective siding issue. The Board took a neutral stance on this issue, and a committee of homeowners was formed to seek methods to gain compensation.

Homeowners had an option to accept compensation from A&B, our developers, or to enter into a lawsuit. Approximately 40 percent of homeowners have sought litigation.

Our goal within this last year was to cut costs and streamline services and make Ku'au Bayview more user-friendly. I again thank all of the homeowners and folks who have helped make Ku'au Bayview a desirable place to live.

Gratefully,
/s/ Ann Pitcaithley
Ann Pitcaithley
President