

MINUTES OF 8TH ANNUAL KUAU BAYVIEW HOMEOWNERS' MEETING
May 26, 2004
(Draft Until Approved by Owners at 2005 AGM)

DIRECTORS PRESENT: Ann Pitcaithley (President), George-ann Kealoha (VP), Darlene Brothers
(Treasurer)
OTHERS PRESENT: 31 Homeowners

CALL TO ORDER & INTRODUCTIONS

President Ann Pitcaithley called the meeting to order at the Paia Community Center Conference Room, Paia, Maui, at 7:00 pm and introduced Board members and new owners Deborah Kremins and Shea Harper of Lot 84. 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 34 owners present in person and 15 by proxy, for a total of 49, which constitutes a quorum of 53%.

CERTIFICATION OF MAILING

The President certified that Notice of the Annual Meeting was sent to all owners of record on April 26, 2004, with accompanying proxy, and that a copy of the notice will be made a part of the annual meeting file.

APPROVAL OF MINUTES

MOTION: To approve the minutes of the 2003 Annual Homeowners' Meeting as circulated.
(Sweet/Sarrow) All in Favor

PRESIDENT'S REPORT

A copy of President Pitcaithley's 2004 report is attached to these minutes.

TREASURER'S REPORT

The Treasurer reported that the Association's finances are in the best shape ever. The bank account balance is currently **\$48,668.37** including **\$35,687.93 in reserves**. There is only one owner who has not paid his 2004 fees and a few owners who owe late fees. In addition to reducing expenses to one quarter of what they were two years ago, **\$2806** in additional funds have been brought in that we wouldn't have seen without this Board's efforts. The owner records are now accurate, the files are all organized, and the whole operation has been streamlined and simplified. If the current system of self-management is maintained, maintenance fees for 2005 can be reduced to \$12 per month (\$144 per year) and still make a profit.

DESIGN REVIEW COMMITTEE REPORT

The President introduced and thanked the four Design Committee members: Marion Haskins (Chairman), Dave Dalgetty, Gail Burns, and Michael Ebeling (alternate). There have been 15 requests for review since last September -- 6 for paint color change, 2 rock walls, 1 fence, 4 decks, 2 room additions, and 2 window/slider additions. Only one of the 15 requests was denied due to inappropriate paint colors. Please remember that all external changes to your house or lot need to be approved by the DRC before work begins. The Board has the right to impose fines on homeowners in noncompliance.

GRIEVANCE COMMITTEE REPORT

The President reported that there were 7 Grievances in total over the past year -- 4 regarding hedges that exceed the six foot height limit. Two have been resolved amicably; one is current and the owner has been fined. There was an unfortunate incident in which someone illegally damaged their neighbor's tree – the tree-owner called the police as this is a criminal matter. There was also a Grievance regarding noisy macaws; the owner paid a \$300 fine to the HOA, and has since moved away. There were 2 Grievances regarding the poor condition of two Lots on N Laelua which were quickly brought into compliance.

MOTION: To hold the Owners' Forum prior to the election and to limit speaking time to 3 minutes per person. (Sweet/Blumenstein) All in Favor

OWNERS' FORUM

- 1 Michael Dooley (Lot 55) asked Karen Chun (Lot 93), Robert Lindan (Lot 31), Mike Gibbons (Lot 26), and Sharon Morris (Lot 32)(this group henceforward referred to as KRMS) to introduce themselves so that everyone could see who had been sending "all this crap" to the neighborhood. Those present in the room made it abundantly clear to KRMS that they wanted this kind of negative communication to STOP, and that "whoever gave the owner list to Lyn Erickson should be sued."
- 2 For some reason John Dunbar tried to insist that he was on the Board; owners asked him to leave.
- 3 Owners expressed concern about the deterioration of the landscaping at the front entrance. Bob Foley offered to provide a list of landscapers to the new Board.
- 4 Chris Laidman (Lot 80) wants the Kuau Bayview Rules to be reconsidered.
- 5 Owners want the new Board to consider obtaining the votes of the required 2/3 of owners to formally amend the CC&R's regarding such possible issues as:
 - a. clarifying that hedges along property lines fall within the 6' height limit
 - b. prohibiting the keeping of chickens & noisy birds (eg. macaws) in Kuau Bayview
 - c. prohibiting the planting of trees with invasive roots
 - d. requiring new owners to occupy their homes for 2 years prior to being allowed to rent (in an effort to keep rentals to a minimum & preserve the quality of Kuau Bayview)
 - e. including the County ordinances pertaining to dog violations in the CC&R's
- 5 Bridget Reardon (Lot 22) asked why the net income figures on the 2003 balance sheet and the Budget differed. The Treasurer explained that both figures are correct – the Budget **has** to use the accrual method to report maintenance fee income (92 homes X \$240/yr = \$22,080). The balance sheet uses the cash method to report how much income was actually received in the 2003 fiscal year (Jan-Dec). As payments were due Jan 1/03, most of the fees were received in Dec/02 (previous fiscal year). This confusion can be eliminated in 2005 by having the fees due Feb 1st so that all income for 2005 will be received in the 2005 fiscal year. We actually received more than \$22,080 in maintenance fees during 2003 because of the recovery of fees lost to Lyn Erickson's bookkeeping errors. These errors have now been corrected thanks to the cooperation of the owners involved. Reports will be much simpler to understand from now on.
- 6 The President read a letter from Lot 48 owner Lauren Williams expressing her dismay at the sheer volume of paper that she has received from KRMS. [at least 85 pages of print have been distributed by this group to the community & the Board, in addition to over 100 emails]. By contrast, the Board's communications have been few, brief, and pertained only to HOA business. Lauren wants this "childish bickering" to stop. The response from the room indicated that many shared her feelings.
- 7 Jim Knutsen (Lot 6) expressed his opinion that the new Board should represent both factions.
- 8 The overall sentiment in the meeting was a strong desire to leave the past turmoil behind and move on.

MOTION: To close the discussion and start the election. (Kealoha/Sweet) All in Favor

SELECTION OF INSPECTORS FOR ELECTION

The President asked for volunteers to act as inspectors for the upcoming election. Marion Haskins, Larry Aldrich, and Linda Dooley volunteered. The Treasurer pointed out that KRMS had distributed proxies that

had been deliberately altered to remove the two options giving the vote to the Board, rendering them legally invalid. Robert Lindan made a plea to have them accepted as there were "only four" (2 were delinquents, and one owner had asked the Board to tear hers up), but the members voted to invalidate them all.

ELECTION OF DIRECTORS

The President explained the cumulative voting process, the duties of Board members, and then opened the floor for nominations. Seven owners were nominated to fill the seven vacancies: Michael Ebeling (Lot 17), Stephan Bielawski (Lot 67), Jo Moyes-Gibbons (Lot 26), Julie Barnes-Foley (Lot 24), Randy Sarrow (Lot 78), Gail Burns (Lot 75), and Bob Pelletieri (Lot 58).

MOTION: To accept the slate and close nominations. (Sweet/Kealoha) All in Favor

MOTION: To accept the **election by acclamation of all seven nominees for a two year term.**
(Aldrich/Haskins) All in Favor

Ann congratulated new Board members and thanked outgoing Board members George-ann Kealoha, Brian Ross, Darlene Brothers, and herself for their service during a very trying year.

UNFINISHED BUSINESS (None)

NEW BUSINESS

MOTION: To look into possibly hiring a **Property Management** company.
(Sweet/Snow) Many in Favor/ Several Opposed

MOTION: To look into hiring a **new landscaper.** (Kealoha/Foley) All in Favor

MOTION: To consider requiring owners who rent their homes to provide the Board with the **tenants' names** & contact info, as well as requiring the tenants to sign a statement that they have received a copy of the **Kuau Bayview Rules.**
(Kealoha/Sarrow) 32 in Favor/2 opposed to providing names

ANNOUNCEMENTS

The President announced that an important meeting of community groups to discuss a vision of Paia's future will be held at Kaunoa Senior Center in Spreckelsville on July 8, 2004 at 7pm. She then reminded new Board members to stay for the organizational meeting.

ADJOURNMENT

MOTION: To adjourn the meeting at 9pm. Seconded and carried unanimously. (Pitcaithley/Kealoha)

Minutes prepared by:

Date: June ??, 2004

/s/
Name

May 25, 2004

2004 President's Report – Ku'au Bayview 8th Annual Homeowners' Meeting

Aloha Homeowners:

This marks the 8th anniversary of Kuau Bayview Association of Homeowners. We have cause to celebrate the many changes in our subdivision. I would like to extend my appreciation to those who have contributed to maintaining the quality of Kuau Bayview and invoking a sense of community spirit. I know that there have been a lot of homes sold this past year and we have seen unprecedented increases in the values of our properties.

The current Board has worked hard to establish an efficient and sustainable system that will save us all money and improve the quality of our neighborhood for the future.

The following are some of the major changes that have occurred:

1. We have reduced expenses to one fourth of what they were 2 years ago; with plans to further reduce the monthly fees to \$ 12 per month. This is down from \$ 25 dollars over 2 years ago. The details will be presented in the treasurer's report.
2. The bookkeeping has been streamlined Record keeping is in Quick Books form.
3. The maintenance fees have been reduced and have gone to annual payments streamlining and minimizing bookkeeping and paper
4. We have streamlined communication via e mail (there are 15 people who do not have e mail at present and we are hand delivering those notices)
5. Grounds keeping costs have been reduced from \$350 down to a charge of \$ 40 a month for mowing and \$12 per hour labor for other duties such as trimming.
6. Water bill has been reduced from \$ 350 down to \$40
7. We have posted a website offering CC&R's, a library of resources, and offered a variety of forms that can be downloaded such as grievance forms, rules, etc.
8. We post notices of sugar cane burnings and spraying
9. A reduction in Insurance with no loss of coverage. Our insurance payment for the retention basin is our biggest expense followed by the grounds keeping payment.
10. Adoption of a more efficient and effective grievance procedures, with clear-cut protocols and fine system.
11. Addition of a convenient drop box within the neighborhood for depositing bills or picking up a grievance forms.
12. After appealing to our mayor, the county budgeted for trimming of trees that line our streets. This was finally accomplished for the first time in October 2003
13. We have changed the location of the bank and post office to Paia
14. Eliminated any property taxes by applying the proper exemption
15. Continued to be an educational resource for the defective siding and garage door issue. You may notice some homes in need of painting and repair. It is likely that these particular homes are part of the lawsuit. People participated in this endeavor because they believed it would have the best outcome for total residing, repainting as well as a replacement of the garage doors. I know that some of the houses have not received compensation for this but it is forthcoming.

We would like to request your input on the following proposals, some which will be subject to a vote at this meeting. Changes to our CC&R's require a vote by 2/3 of the homeowners.

Problem: Many of the homeowners have complained about homes being turned into rentals. Tenants are not informed that this is an association with rules. Standards have dropped below the level of the past affecting the quality and value of our homes.

Proposal: Enact a law that prohibits new owners from renting their homes for the first two years.

Problem: Invasive trees have been planted that could possibly do harm to neighboring sprinklers, sidewalks pipes, fences, etc. Some trees planted have an average height of greater than 30 feet.

Proposal: Prohibit the planting of invasive trees, which can displace neighboring fences and sprinkler systems as well as sidewalks? I have created a list of those trees as well as a list of the most suitable trees plants and ground cover for our climate and lot sizes, derived from the Maui County Planting Guide.

Problem: Parking on the streets. The streets are crowded with cars. There have been reports of broken down old cars that have been abandoned. We would like to ask homeowners that if they have more than two cars, to park at least one of them in the garage. The board has no authority on this matter but the county laws state that no car can be parked more than 24 hours in the street.

It is advised that owners call the non-emergency police number to report this.

Proposal: prohibit any new office or separate rooms from being constructed within garages.

Other concerns that we have:

Problem: We have received complaints from homeowners in homes bordering the cane fields who have observed person (mainly kids) riding dirt bikes on the cane field trails creating dust and loud noises.

I have reported this problem to the head of security department at Hawaii Commercial Cane and Sugar, who has agreed to post no trespassing signs at the end of Hoe Place and also at the entrance to the new public park, Makana Park (located at the top of Lae Place). Trespassers will be assessed a fine. This is not the first time that the security guard that I talked to has received complaints from other neighboring areas.

I welcome your input on the concerns and others that you may have.

Again I would like to commend those considerate owners who took the time and effort out to get involved in the improvement of our neighborhood and for those who have taken pride and who care for their homes and gardens.

I have another short announcement to make. I recently completed a community assessment paper for Paia for a class assignment at UH Manoa and became aware of all the proposed developments for Paia town. There will be an important meeting at the Kaunoa Senior Center in Spreckelsville on July 8 at 7 pm featuring the Sierra Club, Maui Tomorrow, Mike Foley and other community planners. I believe that Paia Merchants Association and Paia Main Street Association and government officials and A and B will be present. The purpose of the meeting is to share visions and plans for the future of Paia including beach expansion, a walking village, answers to traffic congestion and measures and bills if passed would prohibit urban sprawl. Those who cherish the uniqueness of Paia are urged to attend and give their input. This meeting offers an opportunity to meet with Paia community leaders. I have a copy of the 1995 Paia Haiku community plan for your review here. I have found it interesting that almost none of the planning for land use and traffic control has ever been implemented.

/s/ Ann Pitcaithley

Ann Pitcaithley

President