

MAKAHA VALLEY PLANTATION  
BOARD OF DIRECTORS' MEETING  
MONDAY, NOVEMBER 9, 1998 -7:00 P.M.

AGENDA

- I. CALL TO ORDER
- II. ESTABLISH A QUORUM
- III. HOMEOWNER'S FORUM
- IV. APPROVE MINUTES OF THE SEPTEMBER 22, 1998 BOARD MEETING
- V. TREASURER'S REPORT
  - A. Delinquency Report  
1. 1998
- VI. MANAGEMENT EXECUTIVE REPORT
- VII. MANAGER'S REPORT
- VIII. UNFINISHED BUSINESS
  - A. Landscaping Maintenance Agreement with Akamai
  - B. Document Amendments - Mailback Results
  - C. Oceanic Cable - Conversion Progress
  - D. Status of Proposed Loan
  - E. Security Committee
  - F. 1999 Budget & Reserve Study - in Work
- IX. NEW BUSINESS
  - A. Annual Meeting Date and Location
- X. EXECUTIVE SESSION (As Required)
- XI. DATE, TIME AND PLACE OF NEXT MEETING  
Tuesday, November 24, 1998, 7:00 p.m., Waiānae Satellite City Hall
- XII. ADJOURNMENT

MINUTES OF THE BOARD OF DIRECTORS' MEETING  
OF MAKAHA VALLEY PLANTATION  
MONDAY, NOVEMBER 9, 1998  
7:00 P.M., WAIANAE REGIONAL DISTRICT GYM

CALL TO ORDER

The regularly scheduled meeting of the Board of Directors of Makaha Valley Plantation was called to order at 6:55 p.m., by President Larrabee.

ESTABLISH A QUORUM

Members Present:                    Bette Larrabee                    David Duke  
   Dale Fajardo                    Bobbie Castro  
   Alvin Silva

Present by Invitation or as Guests: Peggy Hoots, Manager  
   Jim Coupland, Hawaiiana Management Co., Ltd.  
   Jeff Smith, Engineering Forensics, Hawaii

HOMEOWNER'S FORUM

A.     Tena James, Owner 159A, presented a letter to the Board covering a variety of issues.

APPROVE MINUTES

There being no corrections or changes, the minutes of the September 22, 1998, Board meeting were approved as presented, following a motion to approve by Director Castro, a second by Secretary Silva, and a unanimous vote to approve.

TREASURER'S REPORT

- A.     Treasurer Duke stated that the number of delinquencies is stabilizing. The attorney and management executive are working the delinquencies and keeping up with them. We are using a collection agency and finally received \$1,500.00 for one case recently. The Cash and Reserves stand at \$777,048.07 for the end of October.
- B.     Delinquency Report – The delinquency report was distributed prior to the meeting by the management executive. Deferred to Executive Session.

MANAGEMENT EXECUTIVE REPORT

His report will be covered in the rest of the agenda.

MINUTES OF THE BOARD OF DIRECTORS' MEETING  
OF MAKAHA VALLEY PLANTATION  
NOVEMBER 9, 1998  
PAGE 2

MANAGER'S REPORT

The manager's report was distributed prior to the meeting. A copy of this report is on file in the manager's office and Hawaiiana Management Company, Ltd.

UNFINISHED BUSINESS

- A. Status of Major Project Development – Jeff Smith, Engineering Forensics, Hawaii – Deferred to Executive Session.
- B. Landscaping Maintenance Agreement with Akamai – The Board is not satisfied with some of the employees' performance. They are not picking up obvious trash. Akamai is currently on a month-to-month basis. The manager reported that two of Akamai's employees have been replaced with more aggressive employees. The Board had previously requested a change in personnel.
- C. Document Amendments – Two amendments have passed to date. Only one written consent has been received recently. The two that passed concerned the annual audit and the other was about Directors being removed from the Board if they become delinquent in their maintenance fees.
- D. Oceanic Cable – Conversion Progress – The Board previously voted to go to Basic Service. The matter was turned over to the Association attorney in an effort to force Oceanic Cable to honor their 1988 contract, which calls for the Basic Service. There are 35-40% of the units that are empty a significant portion of the year. Oceanic Cable contends the Association has to sign a five-year agreement. If an equitable arrangement cannot be reached, the owners will have to provide their own cable.
- E. Status of Proposed Loan – Treasurer David Duke is still working hard to obtain a \$6,000,000.00 loan for all the rehabilitation work required. The Board is trying to do the minimum repair actions. The loan would be for a 15-year period, at a 9.5% interest rate. Treasurer Duke moved to send a letter to the homeowners requesting their approval for a \$6,000,000.00 loan. Director Castro seconded the motion and the motion passed unanimously. The response from the owners is needed by December 1, 1998, so the management executive must put the mailout in the mail by the end of the week.
- F. Security Committee – Secretary Silva moved to accept the second modification to the suggested Security Committee Guidelines and to request Richard Busemi to head this committee. Vice President Fajardo seconded the motion and the motion passed unanimously.

MINUTES OF THE BOARD OF DIRECTORS' MEETING  
OF MAKAHA VALLEY PLANTATION  
NOVEMBER 9, 1998  
PAGE 3

UNFINISHED BUSINESS, Cont.

- G. 1999 Budget & Reserve Study – The management executive presented the proposed 1999 Operating Budget and Reserve Study, which is based on obtaining a \$6,000,000.00 loan. The computer recommendation called for an increase in maintenance fees of about 48%, however the management executive proposed an increase of 29-31%. Treasurer Duke moved to approve the 1999 Operating Budget & Reserve Study with an increase in maintenance fees of 31%. Vice President Fajardo seconded the motion and the motion passed unanimously. Although requested, there was no increase in management fees approved for Hawaiiiana Management Company, Ltd.

One homeowner requested to pay one lump payment of approximately \$10,000.00, which is about what a special assessment would be, to keep his maintenance fees the same over the next three years. The management executive was directed to investigate the feasibility of doing this.

NEW BUSINESS

- A. Annual Meeting Date and Location – The Board approved, by unanimous consent, to hold the 1999 Annual Meeting on Saturday, March 13, 1999, at 10:00 a.m., at a location to be selected by the management executive and the manager.

EXECUTIVE SESSION

The Board adjourned to Executive Session at 8:35 p.m., to discuss possible legal matters.

The Board reconvened to the Regularly meeting at 9:19 p.m.

The results of the Executive Session will be released when it is determined whether the \$6,000,000.00 loan is obtained. The delinquency report was deferred to the next Board meeting.

DATE, TIME AND PLACE OF NEXT MEETING

The next regularly scheduled meeting of the Board of Directors will be held on Tuesday, November 24, 1998, at 7:00 p.m., Waianae Satellite City Hall.

MINUTES OF THE BOARD OF DIRECTORS' MEETING  
OF MAKAHA VALLEY PLANTATION  
NOVEMBER 9, 1998  
PAGE 4

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:20 p.m.

Submitted by:

  
Jim Coupland  
Recording Secretary

Approved by:

Alvin Silva  
Secretary

In summary, the association would like to continue to provide the basic bulk service to all residents but only under the terms of the original contract. In addition, the association is willing to pay for the work which will allow Oceanic to provide the basic service (we understand that cost will be approximately \$600). Therefore, I have enclosed a check for \$4,719.00 dollars as full payment for the first month of basic bulk service. As soon as the work is complete, we will provide a check for the \$600.


If Oceanic is not willing to accept the enclosed check as the first month's payment for the reduced rate of service, the board will have to consider asking each individual owner to make their own arrangements with Oceanic. Individual service will have to be provided at a higher rate simply because of the inconvenience and additional paperwork for Oceanic. The benefit to the association, however, will be that it will not be paying for cable service to those owners who are often absent or who are not paying the maintenance fees. Those owners will then become the concern of Oceanic.

The board will regret having to cancel the present contract, but there seems to be no other choice if Oceanic will not agree to follow the express terms of the original contract. The board sees no reason to sign a longer, five-year contract to obtain the same service which the present contract now provides for. The board will be willing to sign a one-year contract for the basic cable service, but cannot agree to any longer term contract.

Please let us know whether you are willing to provide the basic service under the conditions outlined in this letter. Otherwise, the association will have to make arrangements to notify the owners that they must now deal directly with Oceanic Cablevision for cable service.

Yours very truly,

FOR THE BOARD OF DIRECTORS  
AOAO MAKAHA VALLEY PLANTATION

  
Jim Coupland, CMCA®, AMS®  
Management Executive

cc: Board of Directors

Enclosures