

ASSOCIATION OF APARTMENT OWNERS - MAKAHA VALLEY PLANTATION

MINUTES - Board of Directors Meeting

Date: February 24, 1990.

Place: Pikake Cafe, Sheraton Makaha Resort

Present: Charles Houtchens, Blythe Thomas, Loretta McDaniel, Tom Youngblood, Sandy Grant.

By Invitation: Marie Calder, Management Executive, Hawaiiana Management Co.; Ron Wallwork, Resident Manager; Betty Thomas-181A; Ms. Ruth Swinney-118A.

A quorum being present, President Houtchens opened the meeting at 8:15 AM

The Minutes of the Meeting of January 23rd, were approved unanimously.

Correspondence

Janssen 124-A - Letter from M/M Janssen protested the lawsuit against Ms Swinney. Secretary to respond.

Hanson-59-C - Letter from Ms Hanson protested the lawsuit against Ms Swinney. Secretary to respond.

Coulter-125-C - Parking space belonging to this unit was rented in error - has since been cleared up.

Coil-Burns International Security - Reference to Burns' actions regarding Captain James Morrow.

Reports

There were no reports.

Unfinished Business

Common Expenses: Prior Late Charges - Use of this method (per previous resolution) to ensure collection of late fees and other fees per HRS Section 514A-15.1 effective April 1, 1990 was ratified. Copy of this information to be mailed to all owners within the next few weeks.

New Business

Burns Security - Last day to be March 23rd - telephone vote on this matter ratified by Board unanimously (Mrs. McDaniel declared conflict of interest).

Accident Free Days - Winner for January 1990 was Milton Watts

Christmas Party - 1990. Secretary Thomas advised that he had made a tentative arrangement for the Employees Christmas Party to be held at the Pikake Cafe at the Sheraton Makaha Resort on Saturday, December 15th. Moved by Loretta McDaniel that we complete arrangements for the Employees Christmas Party for December 15, 1990, at the Pikake Cafe, Sheraton Makaha Resort, and that we set aside \$2000 to cover the expenses. Approved unanimously.

Ratification of the telephone vote to spend approximately \$1100 for the Annual Meeting at the Sheraton Makaha was approved unanimously.

Ratification of the telephone vote re the appointment of Ms Emerald Souza to the position of Assistant Manager was approved unanimously.

Ratification of the telephone vote to change from O'ahu Refuse to Ilima Refuse effective April 1st was approved unanimously.

Board went into Executive Session at 8:35 AM to discuss on-going litigation.

Meeting resumed at 8:47AM

Meeting adjourned at 8:48 AM.

W. Blythe Thomas, Secretary.

**MINUTES OF THE ANNUAL MEETING
OF MAKAHA VALLEY PLANTATION
SATURDAY, FEBRUARY 24, 1990
SHERATON MAKAHA RESORT**

CALL TO ORDER

President Charles Houtchens called the 1990 Annual Meeting of the Association of Apartment Owners of Makaha Valley Plantation to order at 10:00 a.m. He announced that due to the weather, he would immediately recess the meeting for 15 minutes to allow other owners to arrive.

At 10:18 a. m., President Houtchens called the meeting back to order.

ROLL CALL

The President announced that there were 53.55% of the common interest represented in person and by proxy at the meeting. Note: After the announcement, an additional owner arrived providing a final quorum count of 104 persons or 53.8996% of the common interest present in person and by proxy.

PROOF OF NOTICE OF MEETING

It was announced that a notice of the Annual Meeting was sent to all owners of record on January 17, 1990. A copy of the formal notice is made a part of the Association's records.

INTRODUCTORY REMARKS

1. President Houtchens introduced members of the Board of Directors and invited guests: Steve Glanstein (Parliamentarian), Ron Wallwork (Resident Manager), Emerald Souza (Assistant Manager), Mr. John Morris (Condominium Specialist of the Real Estate Commission), James Morrow, (Temporary Executive Assistant), Connie Gapol (representing Burns International Security) and Marie Calder (Management Executive, Hawaiiana Management). Also introduced were the staff of Hawaiiana Management serving as tally clerks and recording secretary.
2. Parliamentary Authority. By unanimous consent and without objection, the rules of conduct for the meeting distributed in the Annual Meeting Packet in conjunction with Robert's Rules of Order were adopted as rules of conduct for the meeting.

APPROVAL OF MINUTES OF THE 1989 MEETING

The Minutes of the 1989 Annual Meeting were reviewed and approved by the review committee and signed by Claude L. Davis and Secretary Linda Powers. By unanimous consent and without objection, the minutes were accepted by the membership for filing.

APPROVAL REVIEW OF THE 1990 MEETING MINUTES

The Chair appointed, without objection, Mr. Tyrone Ayala, Mr. Bob Houser and Ms Dorothy Smith as the review committee for the 1990 Annual Meeting minutes.

REPORT OF THE OFFICERS

1. Report of the President. President Houtchens reported on the activities of the Association during the past year. A copy of his report is appended to these minutes.
2. Treasurer's Report. Treasurer Loretta McDaniel reported on the financial status of the Association. A copy of her report is appended to these minutes.

AUDITOR'S REPORT

Daniel J. Sullivan, CPA, MBA, audited the financial records of the Association for the 1989 fiscal year. A copy of the report was made available at the meeting. By unanimous consent and without objection, the report was accepted for filing by the membership.

ELECTION OF DIRECTORS

1. Nominations. Sandy Grant, Charles Houtchens, and Tom Youngblood have previously declared their candidacy for election in accordance with State Law (H. R. S. 514-A).

The President asked for further nominations from the floor. There being none the nominations were closed.

There was an attempt to elect the nominees by acclamation, however, it was pointed out by the Parliamentarian that the Bylaws of the Association require an election by ballot.

2. Appointment of Inspectors of Election. The Chair appointed Ms Sharon Ogren, Mr. James Johns and Ms Theresa Garner as inspectors of the election without objection from the floor.
3. Statements of Candidates. Each of the candidates was allowed to make a brief statement to the members regarding their candidacy.

Janet McClure (Unit 99-C) questioned Sandy Grant as to whether she would have sufficient time to devote to her duties on the Board if elected due to her position in her Waikiki firm. She responded that the position was only part-time and only two days a week.

4. Explanation of Ballot. At the request of the Chair, Management Executive Marie Calder explained the ballot to the membership.
5. Election of Directors. The Chair declared a recess for the balloting of the election at 11:15 a.m. At 11:50 a.m., the meeting was called back to order and the Chair announced the results of the election.

Election of Directors. (Continued)

Mr. Charles Houtchens -- 41.2269%
 Ms Sandy Grant -- 42.6037%
 Mr. Tom Youngblood -- 42.9874%

All three candidates were elected for two-year terms.

UNFINISHED BUSINESS

None.

NEW BUSINESS

1. Managing Agent. Section 2 of Article V of the Bylaws of the Association specifies that the Board of Directors shall annually appoint a Managing Agent subject to the approval of a majority of the apartment owners. By unanimous consent and without objection, the membership approved the continuation of the services of Hawaiiana Management as the Managing Agent for the Association.
2. Auditor. The Bylaws of the Association provide that the Association shall annually appoint a public accountant or accounting firm as auditor, who shall not be an officer of the Association nor own any interest in any apartment, to audit the books as is directed by law or additionally by the Board of Directors. State Law also requires that at least one unannounced verification of cash balances and a year end audit be conducted unless waived by a vote of the majority of owners. The Chair stated that the Board recommended that both the unannounced verification and the year end audit be conducted. He then opened the floor to any motions to waive either or both requirements if desired. There being no motions made, both requirements will be met.
3. Resolutions on Assessments. The Chair brought to the attention the annual rollover resolution:

RESOLVED, by the owners of Makaha Valley Plantation Association of Apartment Owners, that the amount by which members' assessments in 1990 exceed the total expenses of the Association for the purpose of managing, operating, maintaining, and replacing the common elements of the Association, shall be applied against the 1991 operating expenses."

By consensus and without objection, the membership approved the adoption of the resolution.
4. Closing Remarks. President Houtchens thanked the owners present for their attention and attendance noting that without them there would be no need for employees, no need for the Board, and no need of a Managing Agent. He reminded the members that they are the backbone of the Association, -- those who must pay the maintenance fees, and for whose benefit the organization exists. He requested the audience to applaud the owners of the Association.

5. Miscellaneous. At this point, the floor was opened for any other business and the following items of note were discussed.

- a) Ms Maybelle Yeomans (Unit 159-B et.al.) questioned why a copy of the 1990 budget was not included in the meeting's information packet and why it was not up for approval during the meeting. It was pointed out that the Bylaws allow for the Board of Directors to approve the budget which was done previously. President Houtchens also pointed out that a copy of the budget should have been included in the packet and most certainly be included in the post annual meeting mailout to the ownership which should be occurring within a few weeks.
- b) Ms Yeomans pointed out that the Directors' and Officers' policy was not included on the insurance summary and inquired as to whether such insurance is being carried by the Association. It was pointed out that the Association does have the necessary coverage.
- c) Ms Yeomans questioned as to the status of the language draft of the amendment to the House Rules, Declaration and Bylaws. Secretary Blythe Thomas pointed out that the draft has not yet been completed by Association's legal counsel. He further noted that in amendments to the Declaration and Bylaws limited to bringing the documents into compliance with existing State and Federal law would not necessarily require a vote of the ownership due to recent changes in State Law (the Board can now do this by resolution). Additional information on House Rule Amendments, and amendments to the Declaration and Bylaws would be forthcoming to the ownership.
- d) Another owner questioned the decrease in cash of 74 thousand dollars on the auditor's report and questioned what this meant. It was explained that during the 1989 fiscal year, expenditures exceeded receipts by that amount. The owner also requested as Ms Yeomans that a copy of the 1990 budget be provided to the ownership. Again, it was stated that such a copy would be provided in the next mailing to the owners scheduled for a few weeks away.

ADJOURNMENT

There being no further business to discuss and no other items of new business raised by the floor, the meeting was adjourned by President Houtchens at 12:08 p.m.

Respectfully submitted:

Michael S. Shimoda,
Recording Secretary.

Approved: Dorothy Smith, Bob Houser, Tyrone Ayala (Committee)

W. Blythe Thomas, Secretary.

PRESIDENT'S REPORT

First of all, I would like to thank each of you for your attendance at this meeting.

Normally, this Board has not talked too much about the things we have accomplished, but in this report, I would like to elaborate on the items which have been done and the money spent to complete these projects.

1. We completed payments in excess of \$132,000 for the painting of the buildings.
2. Ever since the completion of the roofing contract several years ago, we have had many reported leaks - both roof and front lanai. To the best of my recollection, at this time last year we had roughly 200 reported leaks. Many residents were very unhappy about this situation, including myself, as one of my units had the same leak three different times. Our employees have been working diligently to find the sources of these leaks and make repairs to them. Last year we found a construction design problem which caused most of the roof leaks. Most of these leaks have now been stopped, although we still have several inside water damages to be completed. This year the problem with the lanais was located by our new Maintenance Foreman, Paul Bailey. At present we have completed all except a very few of the leaks. These leaks are a problem which I'm sure everyone is sick of, and I'll be very pleased when they come to an end.
2. The lack of pool furniture was one of the bitter discussions of the 1989 Annual Meeting, so naturally, this was one of the first of many items to be rectified during this past year. Thanks to information supplied by Sandy Grant and Loretta McDaniel, the Board made a quick decision to purchase 50 chaise lounges, 30 chairs and 10 poolside tables at a cost of just over \$3000.
3. After much research done by our Research Committee, composed of Mr. & Mrs. Cliff Weber, we signed a contract for the 9 pay phones at our laundromats, which brought an increase in our revenues of approximately \$6000 per year.
4. Mr. Weber also came up with the fact that our contract with Webco did not protect us in case of increases in the cost of water and gas. We contacted the President of the local Webco office, and arranged another contract which gave us approximately \$12,000 more each year. In addition, webco replaced all the machines with new washers and dryers.
5. After a conference with our maintenance staff, we found they were not happy with the uniforms which they felt were too hot. We replaced these with canary yellow T-shirts, with the Makaha Valley Plantation emblem on the back. This made our Maintenance Staff happy, and resulted in a saving of approximately \$12,000 per year.
6. Thanks to Treasurer McDaniel, we re-negotiated the contract with Sonnie Gay from 10% to 15% on all items from their vending machines, except tobacco. Sonnie Gay replaced all their vending machines with dollar changers, allowing us to remove the coin changer, for which they were charging us \$35 per month. Total revenue increase on this change was approximately \$900 per year.

7. Revenues from parking fees have increased by about \$18,000 per year.
8. As most of you know, this project is 15 years old, and it forces us to start taking care of our roads and parking lots. The cost by contractor was \$89,000. To date, we have spent roughly \$35,000, with repairs, re-sealing and re-striping completed on Kiana Place and at the Front Office. In addition, tree roots have been removed where necessary and patches made throughout the Plantation. We hope to complete the remainder this year.
9. After draining the Quiet Pool, we discovered that large patches of plaster were missing, and that we could lift the plaster off in many places. At the same time, algae was found under the plaster. After talking to several pool contractors, we were forced to completely remove the plaster and re-plaster the entire pool and the wading pool. While the pool was closed, we were also made aware that the jacuzzi required repair. This entire project was completed at a cost of just under \$20,000.
10. I suggested to Ron Wallwork that benches in the sauna at the Quiet Pool should be replaced, and also that the restrooms be repainted with a brighter color. This was all done at minimal cost with in-house labor.
11. The 1968 Ford Utility truck which was donated to the Plantation several years ago finally got beyond reasonable repair. After several weeks of scouting, the Resident Manager found a 1986 Ford F150 Pickup, in new condition with very low mileage. Since we purchased from an individual owner, the cost of \$8000 was total - no tax or licence purchase required this year. It's presently parked in the Office parking lot if you wish to see it.
12. We decreased the janitorial staff from 4 to 2-1/2, and by streamlining their work the girls are very pleased. This resulted in a savings of a little over \$15,000 per year.
13. Our long-time Maintenance Foreman left our employ a few months back. The remainder of the staff felt they could handle the work without hiring another man. So far this has worked well, and will result in a saving of \$14,000 annually.
14. Shortly after our election last year, we replaced our Administrative Assistant with Ms Emerald Souza, who recently was given the title of Assistant Manager. About 6 months ago, Mr. Ron Wallwork was hired as the Resident Manager. We hope that all the homeowners are as pleased with these two appointments as are the members of the Board.
15. On recommendation of our Security Captain, the Board elected to buy fire hoses at a cost of slightly under \$900. This purchase was also recommended by the Waianae Fire Department. This, incidentally, could have been this Board's wisest investment, mainly because of the brush fire of October 1st, which almost surrounded the Plantation. Many residents here packed their clothes and personal items and left. Those who remained were quite uneasy until the fire was finally controlled. Due to the fire, a power failure of approximately 19 hours resulted.

During this entire time, visitors entry to the Plantation was prohibited. This was done in order to stop the chance that there might be looting.

16. We hope that you have noticed the front entry area. This has been improved with many additional flowers, removed tree roots and bad curbing and pothos planted around the base of the trees. The cost of this improvement was \$4000.
17. New lights have been installed at both the front entrance and also around the maintenance building to improve security. New motors and timers have been installed for the jacuzzis at both pools, and a new heater was installed in the jacuzzi at the Quiet Pool. Total cost of these items was around \$2500, and we used in-house labor.
18. We purchased a pre-owned golf cart for the Resident Manager and a pre-owned golf cart for the janitorial staff. Total cost of these two items was just over \$1000.
19. Many additional plants have been planted in every area of the Plantation, including approximately 125 areca palms at a cost of about \$1025. The gardeners are propogating approximately 500 crotons, many red and pink ginger and approximately 100 hybrid hibiscus in the nursery. There is no cost for the nursery plants as these are cuttings from around the Plantation done by the gardeners in their spare time.
20. The employees are still talking about their 1989 Christmas Party. They claim it is the best they ever had. First of all, it was catered - the employees brought only themselves and a guest. It was held at the beautiful PiKaKe Cafe here on the Sheraton Resort. The service and food were beyond compare, and the staff relaxed and enjoyed themselves, while the members of the Board waited on their every need. Total cost was slightly under the budgeted \$2000.
21. Our refuse collector, Oahu Refuse raised our dumping fees by over \$1600 per month this past year. Research by Resident Manager Wallwork led us to Ilima Disposal Service, a fairly new company. We are changing over to Ilima on April 1st. They will give us identical service at a savings of approximately \$17,000 annually.

In March of 1989, we were burdened with a new Federal Law - The Federal Fair Housing Act - (The Fair Housing Amendments Act of 1988). A family living in the Plantation at that time, filed three complaints with Housing and Urban Development, as they felt we were discriminating against their daughter. None of the complaints actually stood up, but at the same time, we were put in the spotlight by HUD in Hawaii. Mr. Thomas and I had numerous meetings and telephone conversations with the HUD representatives, and these representatives also made two visits to the Plantation. At first we were warned that we could be fined anywhere from \$10,000 to \$100,000, so we acted very quickly to prevent any such action. This is the reason why the two pools were changed from "Adult Pool" and "Family Pool" to the "Quiet Pool" and the "Sun and Fun Area". We know that many of you are, like the Board members, unhappy with the changing of the restrictions at the former "Adult Pool". At present, we have a Security Officer stationed at the Quiet Pool as often as possible to strictly enforce all the rules posted on the Pool gate which are also authorized by the U. S. Department of Housing and Urban Development. I am very sorry about this, but it appears that we have no choice.

It gives me great pleasure to note the dramatic increase in property values here at the Plantation over the past 8 to 10 months. We feel that some of the actions by this Board have helped in this situation, along with the general increase of property values along the Leeward Coast. Obviously, the development of the Ko'olina Resort is helping in this regard. You may have noticed that the golf course is already in operation, with a tournament being played as I speak. A beautiful Visitors Center is also completed, and I might add that it would be very interesting to most of you to go down to see this area. It is my understanding that condo units built there will start in excess of \$1,000,000 each, with penthouses going for over \$5,000,000. Please - don't rush out the door to put your name in until the meeting is over !!

About six months ago, we purchased a new copy machine with startup supplies and maintenance contract for just under \$4000. Printing of information, newsletters, etc. is a very large expense at a project of this size. This is the reason I have made this my last item.

After having been the President of this Board for the past year, and working with Mr. Thomas as Secretary, I would like to go back for the full 15 years of operation of this Plantation and thank every person who has been a Secretary. Little did I realize the amount of work that goes into the running of an Association this size. First of all, Mr. Thomas purchased his own computer which is used about 95% of the time for Plantation work. With his computer, and this new copy machine, the Plantation has been saved more money than I can imagine. All the Newsletters have been reduced and copied on this machine. This permits use of less paper, and also allows the Newsletter to be folded, stapled, stamped and mailed without an envelope. Most of the actual work of reproduction has been done by Secretary Thomas. When possible, help has been received from Resident Manager Wallwork, Mr. Morrow, Mrs. Souza and myself in spare time. The postage machine was operated by Mrs. Souza.

Our total expenditures for unexpected items amounted to more than \$213,425 in this past year. However, new changes in contracts, along with improved staff performance has brought in additional revenues of just about \$95,000. I know that these expenses had to be met, and I'm glad we were able to accomplish these without an increase in Maintenance Fees. On the other hand, I'm tickled pink we were able to bring in the additional income of \$95,000 annually. This now brings us to the fantastic fact that as of February 20th, last Tuesday, we have in our cash and reserve accounts in excess of \$180,000.

I fully realize the President's Report is not meant for praise. But, at this time, I must say what a pleasure it has been for me to work with these Board members and with our staff for this past 12 months.

Thank you.

Charles Houtchens.

TREASURER'S REPORTEND OF YEAR 1989

Total Receipts for Year Ending December 31, 1989	\$1,266,293.92
Total Operating Expenses Year Ending Dec. 31, 1989	1,340,981.20
Total Association Surplus	(74,687.28)
Total Association Reserves	116,406.40
Total Operating Cash	25,293.36
Total Cash & Reserves to December 31, 1989	\$ 141,699.76

Loretta McDaniel, Treasurer.

MAKAHA VALLEY PLANTATION

excerpt from the ANNUAL MEETING

Before we continue with the New Business, I would like to take this opportunity to thank a very large group who may never have been thanked before.

Without these people, many of our employees would not have a job. Without these people there would be no need of a Board of Directors. Without these people, there would be no need of a Management Company.

Because this group of people is Y O U the Homeowners.

You are the backbone of the Plantation.

You are the people whose Maintenance Fees arrive by the first of every month.

A very, very special thanks to the homeowners of Makaha Valley Plantation.

We're proud to represent each and every one of you.

Please give yourselves a round of applause.

Charles Houtchens

MAKAHA VALLEY PLANTATION

84-786 Ala Mahiku Drive,
WAIANAE, HI 96792

NOTICE TO ALL OWNERS

COMMON EXPENSES; PRIOR LATE CHARGES

Please be advised that the following law was passed by the Legislature in 1988:

"Section 514A-15.1 - Common Expenses; Prior Late Charges. No Association of Apartment Owners shall deduct and apply portions of common expense payments received from an apartment owner to unpaid late fees (other than amounts remitted by an apartment owner in payment of late fees) unless it delivers or mails a written notice to such apartment owner, at least seven days prior to the first such deduction, which states that:

- "(a) Failure to pay late fees will result in the deductions of late fees from future common expense payments, so long as a delinquency continues to exist.
- "(b) Late fees shall be imposed against any future common expense payment which is less than the full amount owed due to the deduction of unpaid late fees from such payment."

Effective April 1, 1990, any unpaid fees such as late fees owed by any owner will be deducted from the maintenance fee payment first. The balance will be put toward the maintenance fees.

If you have any questions, please direct them to:

W. Blythe Thomas, Secretary,
Association of Apartment Owners,
Makaha Valley Plantation,
84-786 Ala Mahiku Drive,
WAIANAE, HI 96792

MAKAHA VALLEY PLANTATION

NOTICE TO ALL RESIDENTS

New House Rules will be issued shortly. In the meantime, please note the following changes to the House Rules to conform to the Federal Fair Housing Law (The Fair Housing Amendments Act of 1988). These Rules have been authorized by the United States Department of Housing and Urban Development.

It should be noted that these policies shall be fully enforced at all times.

- a. All policies shall be age neutral and applied to all persons equally.
- b. Swimming pools will be open to all residents and their guests. Children under the age of 14 shall not be allowed in all swimming pools and enclosure areas unless accompanied by an adult or legal guardian 18 years of age.
- c. Children under 10 years of age will not be allowed in the Jacuzzi or Sauna. Children 11-17 years of age must be accompanied by an adult or legal guardian 18 years of age.
- d. The "Quiet Pool" (formerly the Adult Pool) has further restrictions which are posted at the pool entrance, AND WHICH WILL BE STRICTLY ENFORCED. The "Fun and Play Area" (formerly the Family Pool) is designed for play of all ages. While the rules in this area are not quite as restrictive, we would remind residents that we are living in a closely-knit community, and we request your consideration of others. All children under the age of 8 in the Fun and Play Area must be accompanied by an adult or legal guardian 18 years of age. We also remind residents that all safety and health rules remain in effect.
- e. Children under age 8 shall be accompanied by an adult or legal guardian 18 years of age and not be left unattended in any public or common areas of the Makaha Valley Plantation. We remind residents that all areas outside of actual units, including walkways and stairwells, are considered common areas. Play areas are as follows:
 - 1) Fun and Play Area (formerly the Family Pool).
 - 2) The area behind the Quiet Pool (Putting Green and old Shuffleboard area).
 - 3) Quiet games, such as chess, cards, checkers, etc. may also be played at the Quiet Pool.
 - 4) Play in any other area is forbidden.

BY ORDER OF: Charles Houtchens
President, AOA Makaha Valley Plantation

By: *M. Blythe Thomas*
Its Secretary

Dated this 22nd day of January 1990.

