

MINUTES OF THE ANNUAL MEETING
OF THE ASSOCIATION OF APARTMENT OWNERS
OF MAKAHA VALLEY PLANTATION
MARCH 14, 1998

DETERMINATION OF QUORUM

A quorum was established with 60.2673 percent of the owners represented in person or by proxy.

CALL TO ORDER

The 1998 Annual Meeting of the Association of Apartment Owners of Makaha Valley Plantation was called to order at 10:00 a.m. by the Chair Bette Larrabee.

PROOF OF NOTICE OF MEETING

A notice of this annual meeting was sent to all owners of record on February 12, 1998. A copy of this notice has been made a part of the annual meeting file.

INTRODUCTION OF BOARD MEMBERS AND GUESTS

Owners were welcomed to the annual meeting and the Board of Directors and invited guests were introduced:

Board Members: Bette Larrabee, President
 Dale Fajardo, Vice President
 Alvin Silva, Secretary
 David Duke, Treasurer
 Bobbie Castro, Director*

By Invitation: Peggy Hoots, Resident Manager
 Tom Horner, Insurance Factors
 John Morris, Attorney for the Association
 Ray Romero, General Manager of Burns Security
 Jim Coupland, Management Executive, Hawaiiana Management Co., Ltd.
 Jeffrey M. Smith, President, Engineering Forensics Hawaii
 Charla Trevenen, Recording Secretary
 Trudy Benigno, Annie Kekoolani, Denise Sasaki, and Luana Farias, Tally Clerks
 Charlene Oshiro and Lois Borge, Office Assistants
 Norman Brewster and Kenneth Mesa, Security Captains
 Steve Glanstein, Parliamentarian
 Lois Batalon, Assistant Parliamentarian
 Sam Pitolo, Maintenance Supervisor

PARLIAMENTARY AUTHORITY

In accordance with the Bylaws, Article II, Section 11, the meeting was conducted under the most recent edition of Robert's Rules of Order, Newly Revised. There being no objections, the meeting was

conducted using the proposed meeting rules. A copy of the rules was made a part of the annual meeting file and kept in the offices of Hawaiiana Management Company, Ltd. The Chair appointed John Mason (59B) as the meeting's timekeeper for any debates.

APPROVAL OF MINUTES OF PRECEDING ANNUAL MEETING

The minutes of the March 15, 1997 annual meeting were distributed to the owners along with the 30-Days Annual Meeting Notice. There being no objections, the minutes were approved as written.

REPORTS OF OFFICERS

- A. President's Report. The Chair thanked the owners for attending the annual meeting and for their participation in attending the Board meetings this past year. The Chair also thanked the rental agents for their help in screening the tenants for the owners of the project.

The Chair stated that the Board has been trying to keep everyone informed of the projects worked on or completed throughout the year. The Board can no longer delay the needed repairs and replacements that need to be done due to the age of the project. The plans have been outlined in the Newsletter sent to the owners. The Board will continue to keep the owners updated on the plans to improve the project.

- B. Vice President Report. Vice President Dale Fajardo gave an overview of the strategic plan that the Board has been working on the past few months. The mission is to preserve and enhance the value of Makaha Valley Plantation; to promote a healthy, comfortable and peaceful life style at Makaha Valley Plantation; and to build a unity amongst all residents. The Board is dedicated to working as a team through effective communication with the owners; obtain the support of the owners and residents; and establish financial stability for the project. The Board asked all owners to take action by participating on the various committees formed to accomplish the work that needs to be done throughout the project. The Board cannot do the work by themselves and would like the owners to unite in accomplishing the various projects. The sign-up sheets for each committee were available at today's meeting for the owners to participate.

- C. Secretary's Report. Secretary Alvin Silva read a story to the owners of his view of a living experience at Makaha Valley Plantation. In summary, Mr. Silva stated that you need to take the best of everyone's ideas and put it into the community to make it the best place to live. The Board has worked very hard to the vision of a true Aloha living experience for owners and residents. The owners were asked to learn from past mistakes and work on a better plan to improve the project. The next two years are very critical to improve the life style of Makaha Valley Plantation. When completed, no one will be able to refute the Board's goal of achieving "True Aloha Living Experience".

- D. Treasurer's Report. Treasurer David Duke expressed his appreciation to Abel Castro, who repaired the stairs around the project with volunteers and staff members of the project, saving the Association \$69,000.00.

At the end of 1997, \$50,000 was transferred to reserves leaving a total of \$621,000.00. The Association was able to save \$200,000 during the past four years by outsourcing various services and implementing a variety of cost cutting measures. For the first three months of 1998, the Association saved \$30,000 by out-sourcing maintenance and reorganizing the office staff. The Board had to increase maintenance fees in 1998 to help pay for infrastructure repairs and improvements that will be started this year. The Board felt it necessary to take this action now, instead of waiting, so that some of the projects of the Association can be completed now.

AUDITOR'S REPORT

Terry S. C. Wong, CPA, has audited the books for the accounting year ending December 31, 1997. A copy was made available to the owners who registered at today's meeting. There being no objections, the Auditor's report was adopted.

DIRECTOR'S REPORT

The Chair recognized Director Bobbie Castro to give a short report. Director Castro thanked the rest of the Board members for trying to improve Makaha Valley Plantation. As an owner who used to sit back and not participate in what the Board was doing, she has learned a lot over the past year about being on the Board. The Board meets and takes a lot of their own personal time to resolve some of the problems of the project. Director Castro stated that a seminar called "Your 25 Year Old Building" was held. The seminar was good and one of the most important pieces of advice that came out of the seminar was that you need to get the proper people and the proper information to get the work done. There are major projects that need to be done and the goal is to complete all infrastructure projects by the end of 1999. The Board must do what is best for the project and needs to take action now.

SPECIAL REPORT

The Chair recognized Jeffrey S. Smith, President of Engineering Forensics, Hawaii. Mr. Smith was contracted by the Board for consulting engineering and architectural services. There being no objections, Mr. Smith gave an overview of his findings at Makaha Valley Plantation. Mr. Smith stated that he has looked at every aspect of the construction work for the project. The Board will review the detailed design by the end of May. The final working drawings and specifications will be presented to the Board by the end of July. Once the contracts are signed, the Engineer will be on the project to oversee the work being done. Four days out of the week for 12 months is the commitment made to the Board for the Engineer to oversee the work. Provided that there are no setbacks, the work is anticipated to be completed by the end of October 1999. Mr. Smith answered questions from the owners.

SELECTION OF INSPECTORS OF ELECTION

The following inspectors volunteered to be inspectors of the election:

Donald Schmitz, Head Teller (99C)

Ruth Mason (58B)

ELECTION OF THREE DIRECTORS

Section I of Article III of the project Bylaws specifies that the affairs of the Association shall be governed by a Board of Directors composed of five persons, each of whom shall be an owner, a co-owner, or spouse of an owner of an apartment in the project. There were three vacancies on the Board to be filled. The terms of office are for two years.

Remaining on the Board are Dale Fajardo and Alvin Silva.

- A. Nominations. The Chair stated that there were several owners who previously expressed their desire to serve on the Board. The Chair called for nominations from the floor:

The nominees are:

| | | | |
|-----------------|--------|----------------|--------|
| Bobbie Castro | (24C) | David Duke | (2B) |
| Donald Hibbard | (62B) | Tena James | (159A) |
| Bette Larrabee | (50A) | Felix Lozano | (161A) |
| Greg Sokolowski | (122A) | Belinda Jacobs | (119C) |
| Roy Miyamoto | (65B) | | |

Hearing no further nominations, the Chair declared the nominations closed.

Each nominee gave a brief synopsis of their background and expressed their desire to serve on the Board.

- B. Explanation of the System of Voting. The Chair explained the system of voting according to the Association's Bylaws. Election of Directors was by percentage voting and by secret ballot. The Chair recognized the property manager, Jim Coupland, to explain the ballot procedures. Cumulative voting was not permitted.

There being no objections, the meeting was recessed at 11:20 a.m. for the purpose of casting and counting the ballots.

There being no objections, the meeting was called back to order at 11:53 a.m.

NEW BUSINESS

- A. Resolution on Assessments. The following resolution was moved for adoption:

"RESOLVED, by the owners of Makaha Valley Plantation, Association of Apartment Owners, that the amount by which members' assessment in 1998 exceed the total payments of the Association for maintenance, repairs and other expenses and capital expenditures of the Association as the Board of Directors has appropriately paid or determined payable, shall be applied to 1999 regular member assessments."

There being no objections, the resolution was adopted.

- B. Approval of Property Management Contract. In accordance with Article V, Section 2 of the Bylaws, approval of the property management contract is required by a majority of the owners. The Board has recommended approval of the property management contract with Hawaiiana Management Company.

There being no objections, the Property Management Contract was approved.

- C. Results of the Election. The Head Teller announced the results of the election, as follows:

| | | |
|----------------------------------|-----------------|-----------|
| Quorum: | | 60.2673% |
| Votes Needed to Elect Directors: | | 30.13366% |
| Voided: | | 1 Ballot |
| Results: | David Duke | 37.248% |
| | Bobbie Castro | 33.042% |
| | Bette Larrabee | 30.6326% |
| | Greg Sokolowski | 24.0144% |
| | Donald Hibbard | 19.847% |
| | Tena James | 17.4746% |
| | Belinda Jacobs | 2.3129% |
| | Felix Lozano | 1.8941% |
| | Roy Miyamoto | .6884% |

The Chair re-read the results of the election.

Owner Tena James congratulated the members who were elected. Ms. James reiterated that owners should attend the Board meetings.

OWNERS' FORUM

The chair recognized individual owners for a maximum of 2 minutes for each speech and gave preference to those individuals who have not had a chance to speak.

1. Volunteer Work. John Mason (58B) volunteered to work with Abel Castro to work on the projects at Makaha Valley Plantation. Mr. Mason stated that he (Abel Castro) used his own equipment to accomplish the work at the project. It was recommended by Mr. Mason to appropriate funds in the amount of 1% of the total expenditure be given to Abel Castro for the use of his equipment and material used. The Board will review this request.
2. Increase of Board Members. It was moved by Stan Sekimoto (40A) and seconded by Evelyn Iaea (18A) to consider amending the Bylaws to increase the number of Board members to at least 7 as opposed to 5 members.

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Management Executive Jim Coupland explained the ballot A procedure to vote on the motion to consider amending the Bylaws to increase the number of Board members to at least 7 as opposed to 5 members.

The meeting recessed at 12:10 p.m. to tally the votes.

The meeting was reconvened at 12:21 p.m. The Chair asked if everyone had voted. Hearing no response, the Chair declared the polls closed.

The Head Teller read the results of the voting:

| | |
|---------------|-----------|
| Quorum: | 60.2673% |
| Votes Needed: | 30.13366% |
| Yes Votes: | 38.8398% |
| No Votes: | 16.6587% |

3. Landscaping. Owner Loretta McDaniel (182A) asked about the landscaping for the project. The Board is in the planning stages of this project with the Engineer.
4. Consultants. Owner Greg Sokolowski (122A) asked how the selection process was made to hire Engineer Forensics. Director Duke explained the selection process by stating that bids were received from three companies. The Board made its selection based on each company's response to the bid deadline; the response to the specifications of the projects; and the detail of each company's documentation. Engineer Forensics submitted in detail all the requirements the Board requested. Reference checks were made and the Board evaluated each bid, selecting Engineer Forensics.
5. Brush Fire. Owner Laurel Morrison (190B) was concerned about the recent brush fires in the area and pointed out the tall brush that needed to be cut down. It is located on the makai side of the building. The Board will review this matter.
6. BBQ Pits. Owner Tena James (159A) stated that the BBQ pits are too close to the units and requested that they be moved. The Board will review this matter.
7. New Management Contract. Owner Natalie Robinson (83A) asked about the new management contract of Makaha Valley Plantation with respect to the responsibilities of the hiring and firing of the staff and was concerned about the unsupervised children in the pool area. Director Duke explained that a full service management contract with HMC is being negotiated, hopefully effective April 1, 1998. The Board will not be involved with the hiring or firing of employees. For the period April 1 through May 31, 1998, the management fee will remain the same as currently being paid by the Association. Effective June 1, 1998, the management fee will be \$4,600 including tax for the additional services. The personnel will remain the same. The Board will review the problem of unsupervised children at the pool area at their next meeting.

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8. Committees. Owner Ruth Mason (58A) encouraged the owners to sign up for their participation on the various committees to assist the Board.
9. Board Meetings. Owner Inga Yoon (69A) requested that the Board consider holding the monthly meetings at the project for the owners' participation.
10. Contract. Owner Bill Owens (87A) asked if the management contract is an annual contract. The contract is an annual contract.

The Chair thanked the tellers for the excellent work they did for the annual meeting and John Mason for the official timekeeper of the meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:45 p.m.

Respectfully submitted:

Approved:

Charla Trevenen

Charla Trevenen
Recording Secretary

Alvin Silva

Alvin Silva
Secretary

MINUTES OF THE ORGANIZATIONAL MEETING
OF THE BOARD OF DIRECTORS
OF MAKAHA VALLEY PLANTATION
MARCH 14, 1998

CALL TO ORDER

The Organizational Meeting of the Board of Directors of Makaha Valley Plantation was called to order by The Chair at 12:50 p.m.

ESTABLISH A QUORUM

A quorum was established.

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

Present by Invitation: Jim Coupland, Management Executive, Hawaiiana Management Co., Ltd.
 Charla Trevenen, Recording Secretary

ELECTION OF OFFICERS

There being no objections, the following Board members were elected as Officers of the Board:

| | | | |
|------------|----------------|-----------------|--------------|
| President: | Bette Larrabee | Vice President: | Dale Fajardo |
| Secretary: | Alvin Silva | Treasurer: | David Duke |

DATE, TIME AND PLACE OF NEXT MEETING

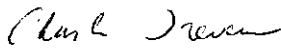
The next Board of Directors' meeting was scheduled for Tuesday, April 28, 1998, at the Satellite City Hall at 7:00 p.m.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 1:05 p.m.

Respectfully submitted:

Approved:


Charla Trevenen
Recording Secretary

Alvin Silva
Secretary