

MINUTES OF THE ORGANIZATIONAL MEETING
OF THE BOARD OF DIRECTORS
OF MAKAHA VALLEY PLANTATION
MARCH 15, 1997

CALL TO ORDER

The Organizational Meeting of the Board of Directors of Makaha Valley Plantation was called to order by The Chair at 12:40 p.m.

ESTABLISH A QUORUM

A quorum was established.

Members Present: Cecil Bindel David Duke
 Dale Fajardo Bette Larrabee
 Alvin Silva

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

ELECTION OF OFFICERS

It was moved by David Duke and seconded by Cecil Bindel to retain the same slate of officers for the new year:

President:	Bette Larrabee	Vice President:	Cecil Bindel
Secretary:	Alvin Silva	Treasurer:	David Duke

DATE, TIME AND PLACE OF NEXT MEETING

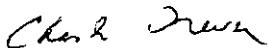
The next Board of Directors' meeting was scheduled for Tuesday, March 25, 1997, at the Satellite City Hall at 7:00 p.m.

ADJOURNMENT

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

Respectfully submitted:

Approved:



Charla Trevenen
Recording Secretary

Alvin Silva
Secretary

MINUTES OF THE ANNUAL MEETING
OF THE ASSOCIATION OF APARTMENT OWNERS
OF MAKAHA VALLEY PLANTATION
MARCH 15, 1997

DETERMINATION OF QUORUM

A quorum was established with 56.0404 percent of the owners represented in person or by proxy. The final quorum was 52.2985%.

CALL TO ORDER

The 1997 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 14, 1997. 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
 Cecil Bindel, Vice President
 Alvin Silva, Secretary
 David Duke, Treasurer
 Dale Fajardo, Director*

By Invitation: John Morris, Attorney for the Association
 Jim Coupland, Management Executive, Hawaiiana Management Co., Ltd.
 Charla Trevenen, Recording Secretary
 Jack Custer, Interim Manager
 Trudy Benigno, Anne Kekoolani, Denise Sasaki, Elena Javillo, Tally Clerks
 Tom Horner, Insurance Factors
 Burn's Security - Juan Garza, Norman Brewster, and Kenneth Mesa

*Wayne Thompson resigned from the Board on March 6, 1997. The Board appointed Dale Fajardo on March 8, 1997 to fill the vacant seat.

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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. The Chair appointed Bob Houser (29) as the meeting's timekeeper for any debates.

APPROVAL OF MINUTES OF PRECEDING ANNUAL MEETING

The minutes of the March 16, 1996 annual meeting were distributed to the owners along with the 30-Days Annual Meeting Notice. The annual meeting minutes were approved by the owners as distributed.

REPORTS OF OFFICERS

- A. President's Report. The Chair thanked the owners for coming to the annual meeting and for their participation in attending the Board meetings this past year. The year was very productive because of the interest the owners have shown. The office staff, Peggy and Charlene, have been very helpful in giving the orientation program to the new owners and for screening the renters who rent at the project. The Board appreciates their work and in making the project a better place to live.

The Chair stated that the Board has been concentrating on more of a long-range plan for the project. Some of the decisions made this past year were:

1. Security Guards were hired through Burn's Security, headed by Mr. Garza. The security is seven days a week. The security guards are responsible for patrolling the pool area to avoid any problems in this area.
2. The vending machines were relocated from the main entrance to the project.
3. The grounds are looking better and need to be maintained daily.

- B. Treasurer's Report. Treasurer David Duke stated that the Association is making progress towards the financial stability of the project. There was an increase to the reserves of over \$50,000. The major repairs and improvements done this past year were done to the heat pump system; pool resurface and repair; tree trimming; golf cards and electrical, totaling \$100,361.00. The total cash and reserves for the year ending December 31, 1996 was \$560,993.00.

- C. Vice President Report. Vice President Cecil Bindel stated that this Board has been working hard and feels that they are doing a good job. He asked that the owners give their vote to those members on the Board because of the valued work and support of the project.

- D. Secretary's Report. Secretary Alvin Silva thanked the owners for coming to the annual meeting. He reported that during the past year, the Board has worked very well together. The correspondence received from the owners are responded to within a reasonable time. It is good to hear from the owners about their concerns, but would also appreciate receiving some good feedback when things are going well. The roof leaks have been a major problem. Temporary patch work has been done and the major re-roofing will be considered in the future. The light fixtures have been upgraded, saving the Association \$2,000 per year. HECO has a rebate incentive program for the Association when upgrading to better efficiency-saving devices. The Board is looking at a high density plastic material to repair the stairs. The parking lot has been examined by a Civil Engineer. The security equipment will be evaluated by the Board in an effort to enhance the security for the project.

In ending, Mr. Silva stated that the Board has done a lot of work the past year and will continue to work toward improving the financial stability of the project.

- E. Special Presentations. Special presentations were made by David Duke to Bette Larrabee for her work this past year; Natalie Robinson for doing the Makaha Valley Plantation Newsletter; Peggy Hoots, Office Manager, for her professionalism that she brought to the project; and to Evelyn Bindel, the wife of Vice President Cecil Bindel. The Board presented Cecil Bindel an appreciation gift for his work during the past years.

AUDITOR'S REPORT

Terry S. C. Wong, CPA, has audited the books for the accounting year ending December 31, 1996. A copy was made available to the owners who registered at today's meeting. There being no objections, the Auditor's report was adopted.

SELECTION OF INSPECTORS OF ELECTION

The following inspectors volunteered to be inspectors of the election:

David Leialoha, Head Teller (164B)

Stewart Stabley (186B)

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 two at two years and one at one year.

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Remaining on the Board are Cecil Bindel and David Duke.

- A. Nominations. The Chair stated that there were some owners who previously expressed their desire to serve on the Board. Nominated from the Floor were Harold McDonald and Dale Fajardo.

The nominees are:

Bette Larrabee	(50A)	Alvin Silva	(42A)
Harold A. McDonald, Jr.	(63A)	Dale Fajardo	(148B)

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

John Morris, Association Attorney, explained that the Association's Bylaws are not clear as to whether the term for filling the vacancy position is for one year or for the term remaining of the position that was vacated.

MOTION: It was moved by Donald Hibbard (62B) and seconded by Lester Rhea (195A) that the vacated position be for one year and asked for a voice vote. Motion was carried unanimously.

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 10:47 a.m. for the purpose of casting and counting the ballots.

There being no objections, the meeting was called back to order at 11:37 a.m. The Chair declared the voting closed.

- C. Results of the Election. The Chair asked the Head Teller David Leialoha to announce the results of the election. Mr. Leialoha thanked the tally clerks for their work and honesty in tallying the votes for each candidate. He also stated that if Ballot 2 was used, it was voided. The results are:

Dale Fajardo	45.3327%	Two Years
Alvin Silva	41.3028%	Two Years
Bette Larrabee	30.8987%	One Year
Harold McDonald	21.5697%	

The Chair thanked all of the owners for their interest in running for the Board.

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 1997 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 1998 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.

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. Heat Pumps. Interstate Energy inspected the heat pumps. Cecil Bindel stated that he recommends water meters on the heat pumps. He has checked all the meters and there are no leaks. The one leak that was found was fixed. The electricity company is also aware of the heat pump problems and working with the Association on possible solutions. ~~David Duke stated that he contacted HECO. The Board voted to conduct a feasibility study at the last Board meeting.~~

The Board does not want to make any mistakes and that's why the feasibility study is being done.

David Duke stated Once the Board has all the information they need to make a decision, they will solve the problem.

The financial situation is also a factor in determining the solution.

the Board is working w/HECO to conduct a feasibility study

2. Stairwells. Tom Powers (162C) asked when the stairwells were going to be repaired. Board Secretary Alvin Silva stated that the Board has a very detailed bid on the repair work that needs to be done. It is a costly project. The Board has looked at a new material mentioned above in Mr. Silva's report. Once the Board has completed their study, they will proceed. In the meantime, Peggy has been keeping a list of the stairs that need repaired and has been working with the interim manager to accomplish the repairs in-house.

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3. Water Problems. Toshio Yatsushiro (132C) questioned HECO's involvement. Mr. Duke explained that HECO has rebate programs that benefit the Association, saving the Association money in the long run.
4. Parking Lot. Herbert Barnett (62C) stated that there are too many speed bumps in the parking lot. Mr. Silva stated that the Board has been receiving the complaints on the speed bumps. The purpose of the speed bumps is to deter speed and solve the traffic problem. The Board is continuing to work on this problem and may possibly retain the help of a civil engineer.
5. Pool/Tennis Courts. Ricky Butterfass voiced his concern on the vandalism and destruction of the pool area and the tree growth over the fence by the tennis courts. The interim manager is working with the tree trimming company on the tree growth. The security, as mentioned previously, will patrol the pool area for prevention of vandalism and destruction.
6. Security. Barbara Van Blyenburg (196A) voiced her concern about the security problems, because just the security guards cannot prevent all the problems that can occur. The security guards need equipment to assist them in doing a better job. Mr. Silva stated that the security equipment and measures are being reviewed by the Board. The owners' concern about being informed on the type of security problems on the project will be communicated to the owners.
7. Pets. Ms. Kenneth Ray (73B) voiced her concern about the house rules pertaining to pets. The Board feels that when an owner purchased a unit, the rules were made clear in the documents.
8. Violations. Frank Slitti (91C) questioned the fine policy and procedure before having a tenant evicted. Association Attorney John Morris stated that the project's documents do not allow the Board to have any direct relationship with the tenant concerning eviction. The front office personnel work with the rental agents when they have a problem renter. The Board will follow-up to see if further action can be taken by them.
9. Amendment. Bobbie Castro (24C) asked if there is any legal procedure that the Association can take by amending the documents to proceed against the owner. The Board has to be cognizant of the Landlord Tenant Codes, but an amendment can be made. The Board wishes to work with the rental agents first before taking legal action.
10. Security. David Leialoha (164B) stated that the security incidents should be reported in the minutes which would be one way the owners would know of any security problems.

Ingaborg Eisler-Yoon (69B) stated that she has never heard of any burglary problems and owners should be advised. Ms. Eisler-Yoon also stated that the 'A' units should have their electrical unit closet boarded on the inside to prevent break-ins, because it is easy for someone to knock the wall down and enter through the closet. The Board appreciated this information.

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11. Maintenance Staff. Tena James (159A) stated that appreciation should be given to the maintenance staff who do a good job for the Association.

ADJOURNMENT

Before adjourning the meeting, the Chair announced that the next Board meeting is scheduled for March 25, 1997 at the Satellite City Hall. There being no further business, the meeting was adjourned at 12:30 p.m.

Respectfully submitted:



Charla Trevenen
Recording Secretary

Approved:

Alvin Silva
Secretary

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