

MINUTES OF THE ORGANIZATIONAL MEETING
OF THE BOARD OF DIRECTORS
OF MAKAHA VALLEY PLANTATION
MARCH 18, 1995

CALL TO ORDER

The Organizational Meeting of the Board of Directors of Makaha Valley Plantation was called to order by The Chair at 12:08 p.m.

ESTABLISH A QUORUM

A quorum was established.

Members Present: Wayne Thompson Cecil Bindel
 David Duke Bette Larrabee
 Alvin Silva

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

ELECTION OF OFFICERS

The following Directors were elected as Officers of the Board:

Wayne Thompson, President Cecil Bindel, Vice President
Alvin Silva, Secretary David Duke, Treasurer

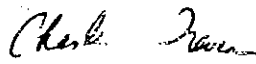
DATE, TIME AND PLACE OF NEXT MEETING

The next Board of Directors' meeting was scheduled for Tuesday, March 28, 1995.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 12:15 p.m.

Respectfully submitted:


Charla Trevenen
Recording Secretary

#074

MINUTES OF THE ANNUAL MEETING
OF THE ASSOCIATION OF APARTMENT OWNERS
OF MAKAHA VALLEY PLANTATION
MARCH 18, 1995

DETERMINATION OF QUORUM

Quorum was established with 50.63 percent of the owners represented in person or by proxy.

CALL TO ORDER

The 1995 Annual Meeting of the Association of Apartment Owners of Makaha Valley Plantation was called to order at 9:38 a.m. by the Chair Wayne Thompson.

PROOF OF NOTICE OF MEETING

A notice of this annual meeting was sent to all owners of record. 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: Wayne Thompson, President
 Cecil Bindel, Vice President
 Barbara Van Blyenburg, Secretary
 David Duke, Treasurer

By Invitation: Steve Glanstein, Parliamentarian
 John Morris, Attorney for the Association
 Jim Coupland, Management Executive, Hawaiiana Management
 Tom Horner, Insurance Factors

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. Mr. Glanstein, who is a Professionally Registered Parliamentarian assisted in the order of business. There being no objections, the meeting was conducted using the proposed meeting rules. A copy of the rules were made a part of the annual meeting file and kept in the offices of Hawaiiana Management Company. The Chair appointed Jerome Liu (175B) as the meeting's timekeeper for any debates.

APPROVAL OF MINUTES OF PRECEDING ANNUAL MEETING

The minutes of the March 5, 1994 annual meeting were approved by the owners as distributed.

REPORTS OF OFFICERS

A. Treasurer's Report. David Duke reported on the following:

There were some changes made over the past year: the implementation of a purchase order system; the implementation of bid procedures for projects and contracts; and the implementation of setting up employee procedures as it pertains to pay increases were put into effect.

Cash Balance:

As of December 1993	\$ 96,000.00
As of December 1994	\$255,000.00

The following plans are scheduled for 1995:

1. Review the long range plan to adequately reflect the future needs of the Association.
2. Revise and update the personnel procedures.

Mr. Duke thanked the owners who have helped to achieve these benefits.

AUDITOR'S REPORT

Terry S. C. Wong, CPA, has audited the books for the accounting year ending December 31, 1994. A copy was made available to the owners who registered at tonight'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:

Doreen Dung (14B)

Steve Waud (19C)

Carol Seda (106B)

ELECTION OF TWO 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 two vacancies on the Board which were filled. The term of office is for two years. Remaining on the Board are Wayne Thompson, Cecil Bindel and David Duke.

Blythe Thomas resigned from the Board prior to the meeting. There being no objections, Mr. Blythe's resignation was accepted.

A. Nominations. The Chair called for nominations from the floor.

Those individuals nominated were:

Bette Larrabee	(50A)
Doreen Dung	(14B)
Gregory Sokolowski	(122A)
Alvin Silva	(42A)

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.

Due to the nomination of Doreen Dung, Tom Youngblood (121A) volunteered to be the head inspector for the election.

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 10:02 a.m. for the purpose of casting and counting the ballots.

There being no objections, the meeting was called back to order at 10:20 a.m. The Chair closed the polls for voting.

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 1995 exceed the total expenses 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 1996 regular member assessments."

There being no objections, the resolution was adopted.

- B. Election Results. The Chair announced the results of the election as follows:

Alvin Silva	38.77641%	Bette Larrabee	33.24114%
Doreen Dung	22.49211%	Greg Sokolowski	5.22080%

Alvin Silva and Bette Larrabee were elected to the Board.

- C. 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 was a discussion concerning the Board obtaining bids for the management of the project. The Chair stated that the Board did obtain bids from other management companies. The bids pricing ranged from \$4,300.00 to \$6,339.00. The management companies who submitted bids were Certified Management, Chaney Brooks, Management Inc. and Hawaiiana Management Company. Hawaiiana's bid was the lowest bid received. The criteria considered were the reputation of the company and the performance ratio.

Owner Doreen Dung (14B) questioned the privacy to knowing the results of the bid pricing for each management company. The Association's Attorney explained that the Treasurer's hesitation to give out the information that may effect the Association in a negative way was a valid concern. He further explained about the number of ways someone can file a lawsuit against the Association for information released that should have been kept private. In this particular instance, the Association's Attorney stated that the pricing information could be given to the owners since the bidding process had been completed.

D. General Discussion. There were a few items that were discussed, as follows:

1. Resident Manager. Owner Herb Barnett (62C) questioned the responsibility of Hawaiiana Management Company and why the Association did not have a Resident Manager. Property Manager Jim Coupland explained that Hawaiiana's responsibility is fiscal management only. As for the Resident Manager, he was terminated in October 1994. Jim Coupland has received and interviewed numerous candidates for the position. The six most qualified prospective Resident Managers will be interviewed by the Board during their selection.

2. Delinquencies. Owner Paul Gerard (159A) questioned the number of delinquent accounts for the project. John Morris explained the process of how the delinquent accounts were and are now being handled. The past attorney who handled the delinquent accounts did not perform well so the Board made a change to hire John Morris who has done an excellent job in collecting on the delinquent accounts. The reason for being able to collect on delinquent accounts in a more expedient manner is due to the priority in which the money collected is applied to to the owner's account. The amendment reflects that when payment is received from a delinquent owner, the payment is applied first to late fees, then legal fees, and then the maintenance fees. The reason is because when you apply the monies toward the maintenance fees first, it is very hard to get a judgment to collect the late and attorney fees. With the amendment, if all the monies are not collected, the Association can still file a claim against an owner for delinquent maintenance fees. The owners were told that before the Association can collect on any delinquent account, the Mortgage company has to be satisfied first. Mortgagees always has the first right to collect before the Association.

Owner Gilbert Patterson (166A) asked if the rentals from an owner's tenant could be attached. The Attorney explained that the Association's documents does not permit the Association to attach the rentals of an owner, who is delinquent in paying their monthly fees, but the Association could amend their documents to provide for this attachment. The Board will take this under advisement. If the Board decides to change the documents, 65% of the ownership would have to approve the Amendment to the documents.

3. Security/Maintenance/Telephone Lines. Owner Adelina Gregor (104B) stated that the security and maintenance staff have gotten better. She further stated that the problem with the telephone lines is that they are still getting crossed. The Chair stated that it has been an on-going problem for Makaha Valley Plantation. It was suggested that the owners who are having this problem contact Chuck Kato of the Newspaper Agency to see if he could assist the owners in solving this problem.

There being no objections, the discussion period continued.

4. Maintenance. Owner Blythe Thomas (181A), disagreed with the previous owner about better maintenance of the property. The stairwell, in particular, is not being cleaned and the painting work has stopped. There is also a lot of litter around the project. The Chair explained the reason the painting stopped in the stairwells which had to deal with the fact that the old paint had to be stripped down first before any additional paint work could be done.
5. Maintenance of the Project. Owner Barbara Grimes (191B) complained about the litter on property; the lawn and shrubs not being cut; trees not being trimmed; and noise by the pool being loud due to under age children playing without adult supervision.

There being no objections, the discussion period continued.

Owners Gloria Wartman (22A); Karen Williams (37A); Spike Tanaka (93B); Larry Mullens (117B); Frank Slitti (91C); Tammy Gandt (97C); Doreen Dung (14B); and Belinda Jacobs (119C) voiced their concerns on one or all of the above issues dealing with security of the project; maintenance of the project; unattended children in the pool area; unattended children making a lot of noise; trees not being trimmed and the painting of the stairwell.

Suggestions were made by the following owners:

- a. Doreen Dung (14B) offered her expertise and knowledge in assisting the Board with getting bids to trim the trees. If the Association takes on the tree trimming project, what type of liability does the Association have? She suggested that the Board take a look at the liability before doing the tree trimming project themselves.
- b. Frank Slitti (91C) and Gloria Wartman (22A) stated that the Board should enforce the house rules of the project.
- c. Belinda Jacobs (119C) suggested that maybe by posting the fines by use of TV bulletins it would help as a deterrent to the security problems. She further stated that Country Tree Trimming would be a good choice for trimming the trees.
- d. Spike Tanaka (93B) suggested that the tetherball equipment should be removed due to the noise factor.

6. Neighborhood Watch. Owner Wilamina Peters (52A) stated that she is part of the Neighborhood Watch and asked about the security guards' responsibilities to the Association. The Chair suggested that she meet with him on the project to review the responsibilities of the security staff. Wilamina introduced Lehua Silva, head of the Neighborhood Security Watch, to explain the roles of participants in the Neighborhood Watch and further explain the use of the training program from

the Honolulu Police department. Ms. Silva stated that there is a need for more owners to get involved with the security watch so that the investment of each owner at Makaha Valley Plantation is protected.

There being no objections, the discussion period continued.

7. Termites. Owner Delphina Pacapac (185A) asked for the status of the termites problem and its solutions. The Chair stated that they have received the bids which will be discussed at the next Board meeting.
8. Car Fumes. Owner Gloria Wartman (22A) asked for the Board's assistance in solving the problem of car fumes from residents who warm up their car. She suggested that the resident(s) not back their cars in which causes a vacuum, which causes an unhealthy situation for owners who live nearby or who are in the vicinity of the car.
9. Board Member. Owner Barbara Van Blyenburg (196A) stated that she filled a vacancy on the Board and served for a short period. She apologized to the ownership for not making a difference. She made recommendations to the Board to incorporate the Association; felt that the Board should have taken faster action on the termite issue; and didn't feel that the support was there from the rest of the Board members.

The Chair responded by reading the legal opinion on the incorporation of the Association from the Association's Attorney and stated that the Board felt the best way to approach the issue was to incorporate all changes at one time for presentation to the owners for review and approval.

10. Drugs. Owner Jay Carlson (175A) suggested that if a resident or owner is dealing with drugs on the project that they should be evicted from the project and that this should be considered as an Amendment to the Bylaws.

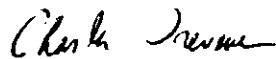
MINUTES OF THE ANNUAL MEETING
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Page 8

11. Resident Manager. Owner Stan Sekimoto (40A) stated that Makaha Valley Plantation is a difficult project to manage. He suggested that the Association needs a good Resident Manager to manage the project with the support of the Board. The Board should not be involved with the day-to-day operations of the project.
12. Owners Involvement. Owner Alvin Silva (42A) stated that the owners need to get involved to help solve some of the problems at Makaha Valley Plantation instead of complaining. In other words, be a part of the solution, not the problem.
13. Board Meetings. Owner Margaret Weber (163A) stated that the owners should go to the monthly Board meetings and get involved in solving the problems of Makaha Valley Plantation.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:00 a.m.

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