

**MINUTES OF THE BOARD OF DIRECTORS' MEETING
OF MAKAHA VALLEY PLANTATION
AUGUST 30th, 2006
ON SITE -Kiana Cabana**

OWNER'S FORUM

At 6:48 p.m., the Chair opened owner's forum, welcomed new owners to the meeting and opened the floor to allow those present to address the board. The Chair thanked everyone for their comments and attendance and closed owner's forum at 7:32 p.m.

CALL TO ORDER

The regularly, scheduled meeting of the Makaha Valley Plantation Board of Directors was called to order at 7:32 p.m. by the Chair, President Monty Glover.

ESTABLISH A QUORUM

A quorum was established.

Members Present: Monty Glover Bob Cunningham Greg Sokolowski
 Jean Connolly Marjorie Collier Frank Mead (by teleconference)

Members Excused: Jim Sherman Jean Connolly

By Invitation: Tiso Maanaina, AOA Security Supervisor
 Belinda Johnson, Site Supervisor, Securitas
 Otis King, General Manager (GM) – Excused from Meeting
 Shirley Landford, Administrative Assistant
 Sheryl Brown, CMCA®, Senior Management Executive, Hawaiiana Management Co., Ltd. (SME)

APPROVAL OF AGENDA

Director Sokolowski moved to approve the agenda as amended to add "purchase of podium and microphone" under "New Business, Item "D"; add "minutes of the Special Meeting of the Board of Directors meeting of July 14, 2006. The motion passed with unanimous consent.

APPROVAL OF MINUTES

The minutes of the regular Board of Directors meeting of August 30th, 2006 and the minutes of the July 15th, 2006 Special Meeting of the Board of Directors were accepted as presented.

REPORTS

A. Security. The MVP security report from Supervisor Tiso Maanaina had been previously distributed to the board. The Chair commented there had been tremendous turnover of the Securitas security staff; commended Tiso Maanaina and Belinda Johnson for the extra hours and additional efforts; stated Belinda's professionalism is always at peak performance. The SS commented that many of the staff are young and fail to report to work, approximately 5% are terminated and the rest choose to quit. The SS and Officer Johnson agreed that while retaining Securitas staff is challenging, assignment to Makaha Valley Plantation is less difficult than some of the other assignments.

B. Treasurer – Treasurer Sokolowski reported the insurance premiums will be paid in October 2006 and approximately \$126,000 in special assessment fees have been collected to date. The Treasurer requested SME Brown provide a weekly update of assessment fees collected. The August 2006 financial statement was accepted subject to audit.

C. General Manager's Report – The GM report had been previously distributed; there was no discussion. The following items were noted without further comment:

1. Stairwell Light Fixture Replacements – In progress.
2. Salt Water Conversion – Completed.

D. Committees

(a) Security – Director Cunningham provided a brief report. The Chair requested Committee Chair Cunningham, GM Otis King, SS Tiso Maanaina and SS Johnson meet to address Securitas staffing turnover.

(b) Documents –

(1) Amendment to Declaration – The most recent tally for ballots received for the written consent to authorize the Board to obtain insurance for limits of coverage at reasonable expense was announced - 29.5619 in Favor and 7.4381 NOT in Favor. Treasurer Sokolowski responded to Director Collier's concern of potential difficulties in obtaining mortgage loans due to decreased limits of insurance coverage that the intent is to maintain sufficient coverages to not affect lenders.

(2) Property Components – Director Collier suggested a review of the documents to determine the responsibility for maintenance and repair of property components.

(3) Adoption of Restated/Revised Documents – The Chair requested SME Brown provide a schedule for the finalization and adoption of the association documents.

(c) Personnel - No report.

(d) Budget & Finance – SME Brown reported the Reserve Study had been revised as discussed with President Glover and Treasurer Sokolowski, and a budget meeting to review expenses had been scheduled with the GM. SME Brown requested a meeting with the President, Treasurer and GM to review the draft budget prior to the September meeting.

(e) Communications – Committee Chair Glover requested board member assistance to respond to owner queries posted on the web site and instructed the GM to post the website address on Channel 2, insert it in the MVP letterhead and include it on all correspondence. Committee Chair Glover reported he has requested a secure area of the website posting meeting minutes and agenda.

UNFINISHED BUSINESS

A. Structural Investigation Report – Smith Hawaii has compiled a list of units to inspect from information provided on the resident surveys. The Chair instructed the GM to add units 50A, 55A and 135C to the inspection list.

B. Proposed Easement for M&M Investments

- (1) Contract - SME Brown stated a copy of the fully executed agreement still has not been forwarded to HMC. Director Mead confirmed he had a copy of the fully executed agreement and will send copies to the GM and SME.
- (2) Dust Barrier - The Chair noted that M&M Investments had not installed dust barriers during work now in progress. The GM stated there is one staff person dedicated to spraying the area to settle dust. The Chair informed the GM that M&M must install the dust barrier to comply with State Law.
- (3) M&M Request to Acquisition Property – The Chair informed the Board that M&M Investments has requested acquisition of the MVP property adjacent to the washhouse to add parking stalls for their property and have requested use of the MVP laundry facility, for an offering of \$20,000.00. The Chair informed the Board members they do not have the authority to allow a change of use of the common elements and recommended against allowing use of the laundry facilities. Director Mead moved to grant an easement behind the 665 area wash house for an indefinite term, with the proposed contract having a termination clause requiring a 90 day notice of cancellation by either party, provided M&M Investment replace the existing fence with construction of a new fence and re-landscape the area for a fee of \$40,000.00. Director Mead voted in favor of the motion. The motion failed with the “nay” votes of Directors Cunningham, Glover, Collier and Sokolowski.

C. Landscape Modifications

- (1) Coconut Palm Trees - For the purpose of risk management, the Chair recommended replacement of all existing coconut palm trees in close proximity to the parking lot areas with non fruit bearing palms, due to vehicle damages caused by falling coconuts. Trimming of the coconut trees is a scheduled and routine maintenance item, however, the fruit matures at various growth rates for each tree. Often, there are a few palms with fruit that has matured early; matured coconuts fall from the tree. This has happened, just prior to the scheduled trimming. On three occasions, the coconuts fell on vehicles, causing damage for which the association is responsible and has paid for repairs. The members present consented to proceed with bidding and recommendations for replacement palms. The SME had previously requested the GM provide a plot plan marked with the location of all existing coconut palm trees.
- (2) Removal of Infested wili wili trees – The GM reported seven trees had been removed by the staff and if possible, additional trees will be removed. All remaining trees will require removal by a tree removal contractor. .

NEW BUSINESS

A. Owner Correspondence

- (1) Request to Reimburse Damage to Swing – Director Collier moved to authorize up to \$250 to replace a swing on an owner's lanai that was damaged by falling palm fronds. Director Sokolowski abstained from voting. The motion passed with a majority vote of Directors Glover, Mead, Cunningham and Collier.
- (2) Insurance Claim Review Committee - The Chair appointed Director Collier to Chair an Insurance Claim Review committee to review and determine the disposition of all insurance claims of \$500.00 or less.

B. Replacement of HWH Storage Tank – Director Cunningham moved to approve the bid from Clean Sewer Lines to replace the hot water storage tank at the #664 wash house at a cost not to exceed \$4000. The motion passed with unanimous consent.

RECESS

The meeting was recessed at 8:36 p.m. and reconvened at 8:40 p.m.

C. Owner Unit Electric Meters

- (1) Responsibility for Maintenance, Repair or Replacement of Owner Unit Electric Meters – Based on a legal opinion and proposed resolution from the association attorney, Director Collier moved to adopt a resolution to clarify responsibility to maintain owner unit electric meters that provide utility service to only one unit or for meters serving more than one owner unit, the responsibility be shared equally with each owner. The motion passed with unanimous consent.
- (2) Electrical Engineer Consultant – HECO disconnected an owner unit electric meter requiring replacement of a burned out socket and determined the meter must be replaced to meet current building code. The existing utility closet does not allow for the required six inch clearance between the meter and interior wall of the enclosure as specified by current building code, requiring the three meter bank to be relocated (meters can be moved individually over time as each one comes due for replacement). HRS 514B allows associations to assume control of individual apartment components that are not a limited or common element that may pose a potential for risk of liability or damage, such as electrical or plumbing components. Therefore, the SME recommended an electrical engineer be hired to write specifications for relocation and replacement of the electric meters, adopt the engineer design specification, solicit and review bids for the work and choose a list of Board approved electrical contractors to perform the work. The SME recommended the engineer design specifications and approved vendor list be adopted as the approved, required electric meter upgrade specification to which owners must comply when replacing their electric meter. Deferred for email vote pending a meeting with Douglas Engineering and Director Sokolowski.

D. Purchase of Portable Podium and Wireless Microphone – Deferred.

EXECUTIVE SESSION

Director Sokolowski moved to recess to Executive Session 9:04 p.m. The Board reconvened into regular session at 9:08 p.m.

NEXT MEETING

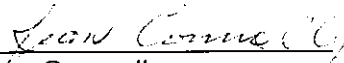
The next regularly scheduled Board of Directors meeting will be on Wednesday, October 25, 2006 at 6:30 p.m. at the Kiana Cabana on site.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 7:50 p.m.

Submitted by:

Hawaiiana Management Company,
Agent for Makaha Valley Plantation
Sheryl Brown, CMCA®, Senior Management Executive,
Recording Secretary



Jean Connolly
Secretary