

APPROVED

Paradise Hui Hanalike
Minutes of the
Board of Directors Meeting
January 10, 2001

Call to Order: The meeting was called to order at 7:01 p.m. by Don Tinker, President.

Roll Call: Members present: Don Tinker, President; Jesse Crawford, Vice President; Ron Phillips, Secretary; Marianne Kamahale, Treasurer; Walt Bell, Yoshi Terada and Mike McMillan. Nancy Cabral, Property Manager was also present.

Members Absent: Robert Daley was excused.

Guests: Gary Jung, Jerry Miller, and Dave West.

Approval of Agenda: To New Business - Mike McMillian added Trash around Mailboxes, and Vegetation Encroaching on Roadways; Gary Jung added Budget, and Grant from the State Legislature. **Mike McMillian moved to approve the agenda as amended, seconded by Jesse Crawford, the motion carried unanimously.**

Approval of Minutes of December 13, 2000: After corrections to Property Manager's report: Between July 1, 2000 to ~~July~~ *December* 1, 2000 we collected \$55,327.28.

Ron did not ~~believed~~ *believe* we needed such a large program.

Mike McMillian moved to approve the minutes of December 13, 2000 as corrected, Ron Phillips seconded, the motion carried unanimously.

Visitors Time to Speak: Dave West received a letter stating that due to being a business, HPP is increasing his road fees by 5 times, he objects to the increase. Don informed him, that as this is a road concern, he should attend the Road Maintenance Committee meeting tomorrow night. Jesse Crawford moved to let Mr. West speak, the motion was not seconded.

Gary Jung was advised by Don that the December meeting at which he was elected to the Board was an improper meeting, Gary will run again at the January meeting. He believed misleading rumors have been circulated about him speaking to elected officials, he requested that people contact him if they have any questions. He has spoken to several official about the HPP Master Plan, of which he co-authored. Don advised that since the meeting was not in the newspaper, it was an improper meeting. Jesse Crawford, who chaired the meeting, apologized to Gary stating that he did not know it was an improper meeting.

President Report: Don advised we received a letter from the *HAAS* Charter School, stating that negotiations have stopped and they were looking elsewhere for a school site. Mike advised we were going to send a letter to them with the same conclusion. We would have too much liability with teenage drivers.

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Don spoke with our new Councilman about the Paradise Drive waterline, who thinks it will go through. Our Councilman was also in favor of our using the road shed office for a police substation.

Don explained Motions are being made to the Court, and we are not being informed with enough notice. Information from our attorney, John Moran, is that he can request to be put on the mailing list for getting the Motions ahead of time. Gary advised we can get copies from the TMR or the Court Clerk as we are a party of the suit. The PM will ask the TMR to inform Mr. Moran and Mr. DeLima, as the HPP attorneys, for any notices that go out.

Don received a Resolution of past Court action, we will need to make changes to the Bylaws - 1. People can elect not to be a member of HPPOA 2. Mandatory membership dues in HPPOA shall require Court approval. As this information was verbal, **Ron Phillips moved that any information coming in, that is relevant to the function and duties of the Board, shall be copied and put in our office boxes. Yoshi Terada seconded.** Don stated this Resolution was mailed to his home address. In the past the policy has been that it is addressed to the office, to the attention of the President. As discussion became lengthy, Ron Phillips called for the question, which carried. **The vote was 5 in favor, 1 opposed, the motion carried.**

Property Manager Report: Nancy reviewed the Paradise Park Administrative Report dated January 10 & 11, 2001. The November financial statements were distributed. She reviewed the accounts, the Hui has a total of \$32,177 and the Roads have \$691,371 as of December 31, 2000.

We collected \$695,024 in road fees between July 1, 1999 and June 30, 2000. Between July 1, 2000 to January 1, 2001 we collected \$64,7822.46. Liens have been placed on 315 lots, and 65 liens are about to be filed.

Road fee billings were mailed at the end of December, due to the postage increase in January. The PM ordered *Enterprise* from Yardi for a 90 day trial period for HPP record keeping.

We sent letters to five lot owners notifying them that we are increasing their road fees 5 times due to the appearance of business being conducted on their lots.

The Silva's Motion for Reconsideration was denied by the Court, however the approval of the bylaws is conditioned upon adding: that lot owners can decline to be members of the Association, and mandatory dues may not be imposed unless approved by the Court. These amendments must now be added to the bylaws, and a final version be approved by the RMC and the Hui membership. A special meeting has been called by President Tinker on January 21, 2001 at 3:00 p.m. We also have 11 Hui members who are requesting this special meeting. It will be published in the newspaper, as well as notice for a regular meeting to follow, also a letter is being sent to all Hui members about the meetings. It will then go back to the Court for final approval.

Loeffler Construction was awarded the contract for the waterline on Paradise Drive, and the funds were released by the past Mayor. The Department of Water Supply and the Department of Public Works are now working on the details.

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We have submitted the application for a Small Business Administration loan for flood damage. It is for \$2M at 4% interest. The board will need to consider the details of this pending the acceptance of this application, terms of the SBA loan and the status of our bylaws.

Excavation Tech completed emergency clean-up and have returned to regular maintenance on the side roads. They are not grading now due to the dry weather causing difficulty in compacting the roads. We are getting a price from them for scraping the sides of the roads to remove the encroaching vegetation.

We have received an estimate to have an asphalt overlay on parts of Maku`u and Kaloli, to include 3' widening to both sides of the shoulders, paving the mailbox areas, and 150' approaches on the secondary roadways. Work on Paradise Drive will wait until after the waterline is installed. Additional bids have not been received yet.

We received an estimate for \$50,000 to cut the trees and roots on the Pahoia side of Maku`u, we are still looking for more bids.

The RMC should prepare a July 1, 2001 to June 30, 2002 Budget. Gary noted that it should have been sent out to the lot owners with the billing statements. The Hui Board budget was to be prepared in October.

Pro Lawn & Landscaping is mowing and collects rubbish. Ace Hauling collects the rubbish as identified by Morgan Sky. Mike asked that we hire someone to clean up rubbish around the mailboxes. The PM will have Pro Lawn clean up those areas.

Committee Reports:

Community Action - Absent, no report.

Charter School - Mike advised that since receiving their letter of termination of discussion, nothing more needs to be done.

Unfinished Business:

Written documentation on waterline - Ron asked to have written documentation on any work being done on Hui property. We need a copy of the Loeffler Construction contract.

Copy of the Master Plan for the office - The PM is still to obtain a copy for the office.

Enterprise Program from Yardi - As our file is too big to e-mail, Jesse is copying to disk to send by mail. We have received a copy of the contract, the PM will discuss it with Jesse.

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New Business:

Budget - Gary reminded the Board that the Budget is late. He prepared it for 2 ½ years, and the PM prepared it for 2 years. He requested the Board take action and would like to be included in the preparation. **Ron Phillips moved to establish a committee to prepare a budget by the next Board meeting, Mike McMillian seconded.** Several Board members believe that the TMR is in charge of handing all of our affairs, however Gary pointed out that the Board was to continue by adhering to our current bylaws, and that the TMR would only involve himself when he felt it was necessary. The PM confirmed this information. Ron Phillips ask to see a copy of the letter stating the above information. **The motion carried unanimously.** Mike McMillian volunteered to Chair the Hui Budget Committee.

Grant from State Legislature - Gary Jung informed the Board that every year the State Legislature Ways & Means Committee has grant money available. Gary would like to apply for a grant to put a waterline down Kaloli from the highway to 25th street. This would allow water to the commercial site and to the 20 acres of Hui property that can be used for a school. We can allocate four acres to the County for a park, and when an elementary school is needed in Puna, they cannot turn us down for lack of water. The proposal must be in by February 2. As it was 9:00 p.m., Jesse Crawford moved to extend the meeting for 15 minutes, Ron Phillips seconded, the motion carried. **Jesse Crawford moved that the Board make application for \$750,000 to the Ways & Means Committee of the State Legislature for a waterline down Kaloli to 25th Street. Mike McMillian seconded.** Gary suggested that this waterline could be tied to the waterline on Paradise. He also had several suggestions in how to develop a village center in that area. **The vote was 5 in favor, 0 opposed, 1 abstained, the motion carried.**

Jesse Crawford moved that the Board ask Gary Jung to write the proposal, file the application, and do whatever is necessary to secure a State Legislature grant. Marianne Kamahale seconded. The vote was 5 in favor, 0 opposed, 1 abstained, the motion carried. Ron asked that information about the grant be given to the Board in writing.

Marianne advised the mailbox area at 25th is very muddy, the PM will check on it.

Adjournment: Ron Phillips moved to adjourn, Mike McMillian seconded, carried. The meeting was adjourned at 9:15 p.m.

Submitted by:

Lori Miner, Recording Secretary

Ron Phillips, Corporate Secretary

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MOTIONS LOG

Mike McMillian moved to approve the agenda as amended, seconded by Jesse Crawford, the motion carried unanimously.

Mike McMillian moved to approve the minutes of December 13, 2000 as corrected, Ron Phillips seconded, the motion carried unanimously.

Ron Phillips moved that any information coming in, that is relevant to the function and duties of the Board, shall be copied and put in our office boxes. Yoshi Terada seconded. The vote was 5 in favor, 1 opposed, the motion carried.

Ron Phillips moved to establish a committee to prepare a budget by the next Board meeting, Mike McMillian seconded. The motion carried unanimously

Jesse Crawford moved that the Board make application for \$750,000 to the Ways & Means Committee of the State Legislature for a waterline down Kaloli to 25th Street. Mike McMillian seconded. The vote was 5 in favor, 0 opposed, 1 abstained, the motion carried.

Jesse Crawford moved that the Board ask Gary Jung to write the proposal, file the application, and do whatever is necessary to secure a State Legislature grant. Marianne Kamahele seconded. The vote was 5 in favor, 0 opposed, 1 abstained, the motion carried.

Submitted by:

Lori Miner, Recording Secretary

Ron Phillips, Corporate Secretary

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**Paradise Hui Hanalike
Road Maintenance Committee
Regular Meeting
Minutes of January 11, 2001**

Call to Order: The meeting was called to order at 7:01 p.m. by Les Pedersen, Chair.

Roll Call: Members present: Les Pedersen, Chair; Larry Pirtle, Don Tinker, Les Whiteley, James Johnson, Gerard Silva, Dave Smith, and Warren Mastenbrook. Nancy Cabral, Property Manager was also present. Members absent: Jesse Crawford.

Guests: Gloria Whiteley, Gary Jung, Jerry Miller, and Dave West.

Guest Comments:

Dave West received a letter from HPP raising his road fees 5 times on two lots stating it appeared he had a commercial car business. He advised he is not conducting a business. The PM advised there are cars parked on surrounding lots as well as both of his, and on the roadways. Mr. West is at 5th and Maku`u, he stated he is in research and development. One lot contains items for his hobby and personal use only. He has chickens, and protects them by placing cars on the road to slow the traffic. If he sells parts, that is a hobby, but it is not his livelihood, he believes it is comparable to a "garage sale." He does not generate excess traffic, he only had 22 people come to his house last year. He is now retiring, getting rid of things, and will be on the mainland for half of the year. As there would be much to discuss, this will be on the agenda next month. The PM advised the roadway is 40 feet wide, his cars are blocking the roadway, he must keep the roadway open.

Approval of Agenda: Les Whitely moved to approve the agenda, Don Tinker seconded, the motion carried.

Approval of minutes of November 9, 2000: After a correction to: *Les Pedersen disclosed he hold the contractors license for Yamada at this time, however, he is not involving himself in the bidding or resurfacing of HPP roads;* **He will not participate in the decision of whether we accept or decline the bids from Yamada nor will he vote on any issues pertaining to this matter.** The minutes were accepted as corrected.

Unfinished Business: None

New Business:

Budget Committee - Don explained the Board formed a Budget Committee for the Hui budget, and the RMC should form a committee. Gary Jung, who prepared the budget for the last 2 ½ years, explained that the Bylaws state the next fiscal year's budget was to be finished last October, and mailed with the billing in January. It would be difficult to figure where the paving money was coming from without a budget. Before we pave, we must take care of the trees, we still have time. Gary proposed to have the Hui Budget Committee, of which he is a member, draft the RMC budget, and to postpone any decision on paving until the budget is ready. The PM advised the paving offer is for 30 days, which is almost over. Maku`u is broken up and getting worse daily and she is concerned about safety. She reviewed the financial reports that show what funds are

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available, we would need \$120,000 for operations, there would still be the reserves and enough left to do the paving. The TMR is prepared to go forward if the RMC does not object. Larry Pirtle moved to let the Hui Budget Committee prepare the RMC budget, Warren Mastenbrook seconded. The PM had drafted a proposed budget using contractors and not our own equipment, including \$550,000 for road improvements. Les Whiteley spoke against have our own equipment. Don would like to work on the budget, but Gary thought it would be better to let the budget be prepared and then when presented the RMC can make changes. After more discussion, the motion was withdrawn. **Larry Pirtle moved that the RMC authorize Mike McMillian to be the RMC budget chairman, also on the committee Gary Jung and Jerry Miller to formalize the next RMC fiscal year's budget. Les Whiteley seconded, the vote was 6 in favor, 0 opposed, 1 abstained, the motion carried.**

Bylaws - The PM explained the Silva's Motion for Reconsideration was denied by the Court, however the approval of the bylaws is conditioned upon adding: that lot owners can decline to be members of the Association, and mandatory dues may not be imposed unless approved by the Court. These amendments must now be added to the bylaws, and a final version be approved by the RMC and the Hui membership. It will then go back to the Court for final approval. **Don Tinker moved that the RMC approved the HPPOA Amended and Restated Bylaws as amended by the Court;**

to include in Article VI, Section 1 (a) Lot owners are assumed to be members of the Association unless the Association receives from them a written affirmative statement to the contrary. Owners may join or decline membership at any time. The Association will notify owners of record of their ability to decline membership in the Association.

and in Section 2 - Any amendment to these bylaws requiring mandatory membership dues shall require prior Court approval.

Les Whiteley seconded, the vote was 8 in favor, 0 opposed, 0 abstained, the motion carried unanimously.

Road Paving - We have received an estimate from Yamada Diversified Industries to have an asphalt overlay on parts of Maku'u and Kaloli, to include 3' widening to both sides of the shoulders, paving the mailbox areas, and 150' approaches on the secondary roadways. The PM explained the costs and procedure of including reinforcing fabric to prevent damage from the subsurface. Les Pedersen answered questions about the paving. It will cost over \$500,000. **Les Whiteley moved to accept Yamada Diversified Industries bid and do the paving on Maku'u and Kaloli, Don Tinker seconded.** Larry stated without a budget, this would be drawing from funds that are to be used next year. The PM advised the money is available, and the added aprons would cause less maintenance work.

Warren Mastenbrook moved to table the paving motion until the next meeting, Larry Pirtle seconded, the vote was 4 in favor, 2 opposed, 1 abstained, the motion was tabled. Les Pedersen advised oil prices may affect the bid.

Dave Smith related that he talked to our new Councilman about the County paving one road across HPP for fire truck access. Les explained that it is okay to speak to him as a property owner, but for an RMC endorsement, it should be put on the agenda.

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Property Manager Report: Nancy reviewed the Paradise Park Administrative Report dated January 10 & 11, 2001. The November financial statements were distributed. She reviewed the accounts, the Hui has a total of \$32,177 and the Roads have \$691,371 as of December 31, 2000.

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We sent letters to five lot owners notifying them that we are increasing their road fees 5 times due to the appearance of business being conducted on their lots.

A special meeting will be held January 21, 2001 at 3:00 p.m. It will be published in the newspaper, as well as notice for a regular meeting to follow, also a letter was sent to all Hui members about the meetings.

Loeffler Construction was awarded the contract for the waterline on Paradise Drive, and the funds were released by the past Mayor. The Department of Water Supply and the Department of Public Works are now working on the details.

We have submitted the application for a Small Business Administration loan for flood damage. It is for \$2M at 4% interest. The board will need to consider the details of this pending the acceptance of this application, terms of the SBA loan, and the status of our bylaws.

Excavation Tech completed emergency clean-up and have returned to regular maintenance on the side roads. They are not grading now due to dry weather causing difficulty in compacting the roads. We will be bring in cinder for the storm damaged areas. We are getting a price from them for scraping the sides of the roads to remove the encroaching vegetation.

We received an estimate for \$50,000 to cut the trash trees on the Pahoia side of Maku'u 20 feet back from the road, and cut the roots which are lifting the asphalt. They will need to be poisoned to prevent new growth. The PM will get an additional bid on chipping, and leaving the chips for the residents to use. We are still looking for another bid.

Pro Lawn & Landscaping is mowing and picks up rubbish. Ace Hauling collects the rubbish as identified by Morgan Sky. James told of rubbish along Kaloli. Ken's Towing removes abandoned vehicles.

Hui Liaison - Don reported:

Charter School - we have stopped negotiations with the *HAAS* Charter School, they wanted property for a high school to be given to them for free. They have sent us a letter that they were looking elsewhere. We don't believe we need additional teenage drivers.

Paradise waterline - Any side road property owner who wants to connect to the line, must pay for both the waterline, and paving that section of the road. The PM will be looking over the agreement, and will obtain a copy of the contract and construction plans of Loeffler Construction for the RMC to review.

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Grant from State Legislature - The State Legislature Ways & Means Committee have grant money available. The Board ask Gary to apply for a \$750,000 grant to put a waterline down Kaloli from the highway to 25th Street. It must be in by February 2. This would allow water to the Watamull commercial site which could be developed into a village center and to the 20 acres of Hui property that is intended for a school. When an elementary school is needed in Puna, they cannot turn us down for lack of water. He also had several suggestions in how to develop a village center in that area. We could also put a line across 25th for a circulating water system.

RMC member - Warren reminded everyone that we are still one member short, we need to find someone in Increment I who is willing to be on the committee.

Adjournment: Les Whiteley moved to adjourn, Don Tinker seconded. The meeting was adjourned at 9:03 p.m.

Submitted by:

Lori Miner, Recording Secretary

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MOTIONS LOG

Larry Pirtle moved that the RMC authorize Mike McMillian to be the RMC budget chairman, also on the committee Gary Jung and Jerry Miller to formalize the next RMC fiscal years budget. Les Whiteley seconded, the vote was 6 in favor, 0 opposed, 1 abstained, the motion carried.

Don Tinker moved that the RMC approved the HPPOA Amended and Restated Bylaws as amended by the Court;

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Les Whiteley moved to accept Yamada Diversified Industries bid and do the paving on Maku`u and Kaloli, Don Tinker seconded. Warren Mastenbrook moved to table the paving motion until the next meeting, Larry Pirtle seconded, the vote was 4 in favor, 2 opposed, 1 abstained, the motion was TABLED.

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