

**Hawaiian Paradise Park Owners Association
Approved Minutes of Board of Directors Meeting
August 11, 2004**

Call to Order: The meeting was called to order at 7:05 p.m. by Allan Deehr, Treasurer.

Members Present: Allan Deehr, Treasurer; Mark Cook, Secretary; Barbara Kahn-Langer, Barney Sheffield, and Erhard Atrata. Bobbi Stutsman, General Manager, was also present. [Note: Frank Annin, Gerard Silva, Rick Frazier, and Wilbur Carlson were off-island.]

Lot Owners Present: Paige Miller, Jeannie Beddow, Francis Ganon, Bobbie Alicen, Rick Shea, Minerva Shea, Chuck Cartwright, Ron Phillips, and JoAnne Backman.

Owner Input: Jeannie Beddow asked what is being done about delinquent lot owners. Francis Ganon stated that it is unfair for some owners not to pay road fees.

Allan Deehr said that he has encountered two questions: whether increment one under some circumstances cannot be pursued for fees; also, whether late interest rates were properly assessed by the Board of Directors. If the delinquency fees were not assessed, HPPOA might not be able to collect enough to cover the cost of litigation, which he estimates at \$2500. He is hopeful that by October he will be able to identify the best course of action.

Paige Miller suggested referring delinquent owners to a collection agency.

Bobbi Stutsman stated that Morgan sent letters with the latest billing warning that properties delinquent by two or more years by the end of August would have liens placed on them; this has resulted in increased payment of road fees.

Barbara Kahn-Langer asked whether liens affect lot owners' credit rating. Allan said that liens are a legal document; if the credit companies pick up on them, then credit ratings are affected.

Chuck Cartwright stated that he sees a level of professionalism on this Board that he has not seen since Receivership. He asked that Board members review the Receivership papers outlining the history of the Receivership and the intent of the court. He suggested that the purpose of the Board is long-term planning. He also requested that member input precede the Association business on the agenda at General Membership meetings, with the three-minute presentation limit for each member.

JoAnne Backman asked whether a procedure is currently in place to properly document assessment of fees. Allan said not at this time, but before any liens are filed, it will be. JoAnne also suggested that Board members would benefit from the facilitation workshops being offered.

Ron Phillips said that the interest rate assessed by the Board in the past was originally negotiated with the State of Hawaii and was legitimate. He also said the quality of road maintenance does not reflect the amount of money collected. Mowing is below standard and that bushes are in the road.

Paige Miller proposed a bulletin board on the website to allow owner comment on issues.

JoAnne questioned the discrepancy in the balance sheets listing Frog Squad assets; Bobbi said the account balance shows what is in the account; the fund total includes contributions not yet deposited.

Approval of Minutes: Barney Sheffield moved to approve the minutes of June 9, 2004 as written; Allan Deehr seconded. The motion passed with Allan Deehr and Barney Sheffield voting yes; the other Board members were ineligible to vote, as they did not attend the meeting.

Mark Cook moved to approve the minutes of July 14, 2004; Barbara Kahn-Langer seconded. The motion passed unanimously.

Treasurer's Report: The ad hoc finance committee met July 28. Bank statements, profit/loss statements, and the budget were reviewed. Current assets on deposit as of July 31 totaled \$1,029,098.63. The City Bank account was closed; the monies were deposited into the road savings account so they will draw increased interest.

Past due fees of \$27,144.45 were collected in July, largely due to the efforts of the office staff. Total expenditures for July were \$51,988.06.

Barney asked whether the grader is being leased or purchased. Allan said the grader is being purchased; Bobbi said the contract has not yet been sent from Honolulu. Allan asked Bobbi to notify him if it is not received by the September Board meeting.

Barbara asked the process for removal of abandoned vehicles. Bobbi said Ryan hauls junk cars to the dump at the cost of \$48 per car. The police claim they are not allowed to tag cars in the Park, but Bobbi said other County representatives have contradicted this. In the past VIN numbers have been used to identify owners, who were billed for removal of the vehicles. Barbara asked that this be included on the September agenda.

General Manager's Report: The cinder block safe room is still awaiting a permit. Erhard Atrata has recruited two volunteers to help build the room. Bobbi is hopeful a contractor will volunteer to oversee the construction of the room.

Morgan Sky has suggested that the Association may increase the income from the Activity Center by extending the hours to 10 p.m.; the current agreement states all events must end by 8 p.m. Barbara said that clear requirements need to be addressed. Allan suggested that if alcohol is served after 8 p.m., security must be present. Mark asked whether the insurance covers alcohol on the premises. Allan asked Bobbi to check on this.

Since January, 230 building permits have been issued for HPPOA; 158 were for new buildings.

Bobbi invited Larry Pirtle, head of Neighborhood Watch, to attend Board meetings. Bobbi and Morgan are attending classes in QuickBooks, with fifty percent of the cost paid by the State.

David Day maintains the equipment, based on hours used. Sixty-three loads of cinder has been spread since July 15, from 29th St. to 19th St. Trash along Railroad Avenue is being removed at the Association's expense. Keeping trash off the easements reduces the amount dumped and saves on equipment repair costs. More frequent mowing is expected to help reduce dumping of trash, also.

Allan asked whether a contract has been signed for the 2003-2004 audit. Bobbi said she has not issued a check, but is unsure whether the contract has been signed.

Barbara Kahn-Langer moved to hire Dolan, Silva, & Associates to perform the 2003-2004 audit; Erhard seconded. The motion passed unanimously.

Coqui Frog Squad Report: JoAnne Backman said that permission forms are trickling in, but the squad will not be able to spray large blocks as they had hoped. Matching funds of \$20,000 are available until September 30; therefore, areas where people have shown an interest and given permission will be sprayed. The USDA has submitted a proposal for \$3 million per year for three years, which is awaiting final approval. Barney asked if a biological control has been identified. JoAnne said that the Kittrich fungus is ineffective, but other controls are being researched. The Frog Squad's commitment is for \$15,000 for citric acid by September 30; the matching funds will pay salaries.

Unfinished Business

Robert's Rules of Order: The Board has decided to use the newest, 10th edition of Robert's Rules. Bobbi said that Morgan is buying a copy. Allan asked that it be brought to Board meetings.

District Improvement Proposal: This is an attempt to attain a funding mechanism for accelerating pavement of the roads in the next two to three years. Barney reported that the committee is proceeding, with County support, to obtain loans within the Association's budget. Approximately a year is needed to complete the necessary steps.

Building Security Research: Bobbi has not yet had time to research the issue of fencing versus surveillance cameras.

New Business

Roads ad hoc Committee: Barney reported on the meeting of the committee on August 4, attended by Gerard Silva, Les Pedersen, Bobbi Stutsman and Barney Sheffield. Yamada proposed installing four drywells on 30th Avenue to control drainage. The committee decided to seek a more competitive price for the project. Other proposals for leveling and resurfacing Paradise Dr. were considered; bids from other contractors will be obtained before these proposals are brought before the Board.

Barbara said that when Highway 130 is widened, the drainage problems will increase. She suggested that the Park voice its concerns during the planning stage. Allan asked that Gerard, chair of the ad hoc committee, contact the State and follow up on HPPOA's concerns, including turning lanes and drainage.

Mark asked whether the Association has any power of negotiation with the County or the State. Barbara said that in case of an accident, traffic is routed by the police through the Park, creating issues of safety and responsibility. She said jurisdiction should be sorted out and the Park should be compensated for public use. Mark asked if the Receivership plan addressed this issue; he asked Bobbi to provide a full copy for all Board meetings. Mark and Barbara will review the document and determine which parts need to be made available to the Directors.

Barbara is on the County Regional Transportation Meetings mailing list.

Coqui Frog Checking Account: Allan presented a resolution requiring the Board to appoint a Coqui Frog Committee comprised of JoAnne Backman, Diana Radich and John Rozett, with the authority to deposit and withdraw funds for the purpose of eradicating coqui frogs within Hawaiian Paradise Park. All check or withdrawals would require two signatures, and the committee must submit monthly reconciled statements to the treasurer of the Board. Any funds received by HPPOA for eradication of coqui frogs will be turned over to the committee for deposit. This resolution may be rescinded at any time by the Board of Directors. Barbara asked that the final item be corrected to read "This resolution may be rescinded at any regularly scheduled meeting of the Board of Directors." The resolution will be discussed at the Board meeting in September.

Malamalama School: Mark reported that he will ask Patty McCarthy, a parent of a Malamalama student and a member of HPPOA, to represent the Association at meetings of the Malamalama Board of Directors and report on those meetings to the HPPOA Board.

Bobbi said that after next year, the school's lease can only be renegotiated every ten years.

Mark stated that this lease sets a precedent for dealing with other entities; he hopes to establish a revenue stream from Association assets. He suggested that the Board pursue items of interest common to all members, not just roads.

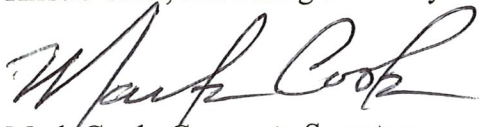
Barney said that the areas designated for parks and commercials zones have not been developed. Five percent of levied monies can be used for non-road purposes, but other monies can be used, also. However, commercial enterprises are forbidden on Association property.

Adjournment: The meeting adjourned at 8:45 p.m.

Respectfully submitted by:



Kirstie Goin, Recording Secretary



Mark Cook, Corporate Secretary



Motions Log 8-11-04

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