

**Hawaiian Paradise Park Owners Association
Unapproved Minutes of the Board of Directors Meeting
February 9, 2005**

Call to Order: The meeting was called to order at 7:00 p.m. by Frank Annin, President.

Members Present: Frank Annin, President; Gerard Silva, Vice President; Allan Deehr, Treasurer; Rick Frazier, Erhard Autrata, Barney Sheffield, Bill Carlson, and Barbara Kahn-Langer. Mark Cook was off-island. Bobbi Stutsman, General Manager, was also present.

Guests: Richard Stutsman, Peter Frost, Mary Marvin Porter, Bobbie Alicen, Ron Phillips, Rod Thompson, and Fred, Marleni, and Karina Wohlschlagel.

Owner Input: JoAnne Backman e-mailed a comment objecting to how materials were spread on side roads off Kaloli, resulting in retention of existing potholes. Mary Marvin Porter asked the Board to consider passing a resolution opposing unnecessary spraying of poisons, which will percolate into the ground water and into the ocean. The building code requires spraying for ground termites before pouring a concrete foundation. She stated that builders, plumbers, and engineers have told her that lava rock does not host ground termites, and that the spraying is unnecessary. Also, she asked that the road crew not spray manicured lawns.

Gerard stated that the termite spraying requirement is a County law; the only way to change it is to speak to her County Councilman. He said the spraying of grass is required to keep the roots from damaging the tarmac. Erhard said the elephant grass is the one that causes damage. Bobbi said Ryan is using Round-up on the elephant grass.

Ron Phillips asked whether the monies allotted for drywells will benefit lot owners or the roads. He stated that Paradise Drive is getting worse, and expressed concern that the office is closed to walk-in traffic on Wednesdays and Thursdays. He also said the County is not providing services with the tax monies.

Gerard said the drywells are to protect the roads from water damage.

Peter Frost said 14th Ave. needs repair. Also, D-9s are crossing property lines, and continue piling bulldozed debris on the lots.

Bobbi said the Association has no authority in this issue.

Rod Thompson expressed concern that when the roads are paved, that they be done slowly and right, including removal of blind hills. Also, the corner of Maku`u and 12th ponds during heavy rains.

Approval of Minutes: Gerard Silva moved to approve the minutes of January 12, 2005, as written. Bill Carlson seconded. Gerard Silva, Bill Carlson, Barbara Kahn-Langer, Allan Deehr, Erhard Autrata, and Barney Sheffield voted for; Rick Frazier abstained as he did not attend the meeting. The motion passed

Treasurer's Report: Allan Deehr reported that as of January 31, all accounts totaled \$895,065, including \$142,819 of prior year delinquent accounts and accumulated interest. Monthly income for January was \$31,214; monthly expenses were \$37,913. The office staff has recalculated all but about 50 delinquent accounts.

He and the General Manager are shifting two accounts to CU Hawaii, and monies from 2005 road fees will be put into 120-day certificates of deposit in \$100,000 increments as they are collected, to assure that they are available July 1.

Barbara Kahn-Langer moved to accept the Treasurer's Report as presented; Gerard Silva seconded. The motion passed unanimously.

Special Reports

General Manager: A temporary worker has been hired and has been doing rubbish and abandoned car removal, filling potholes and rolling. He has not yet graded any roads. Barney said the roads needs to be graded, then materials added, then graded again and rolled. Erhard said if the roads are not rolled, the materials disappear.

Rick asked how long it has been since the roads were graded. Bobbi answered that it has been six weeks, since David Day has not been working. David is having an MRI and will be out of work at least another two weeks.

Barbara said the Association needs a contingency plan for when critical employees are unable to work. She suggested that Board members suggest names to make up a pool of possible temporary workers. Gerard suggested contracting road work temporarily.

Districts 5, 7, and 8 are up for election for new Board members for the coming fiscal year.

The safe room needs a light and switch, final inspection and painted. Then it will be completed.

Human Resource Committee: The committee is drafting personnel policies and practices and is approximately halfway finished. The draft will be presented to the Board for final approval when it is completed.

Coqui Frog Squad: JoAnne Backman submitted a written report stating that the bank statement as of January 31 reflected an account total of \$22,703.62, which reconciled with the check register. Signature cards were delivered to First Hawaiian Bank. The squad's meeting date has been changed to the second Tuesday of each month. A copy of a letter to William H. Clay of the USDA Wildlife Services and the HPP Coqui Frog Final Report, USDA, were provided to the General Manager.

Unfinished Business

District Improvement Proposal Update: Gerard reported that the County is considering a special bond for paving cross streets, which requires showing public purpose. If the Public Works Department adopts a new rural standard, the bond may be approved. A second bond is being considered for paving the main roads to County standards in partnership with federal monies. Daniel Inouye and Ed Case have been consulted to assist in acquiring federal funds for this purpose. Parks, waterlines and other

improvements on the main roads may be included. It will probably be March before the County knows whether the Federal government will assist in the project.

Bobbi asked whether the office has received a list of County road standards. Gerard said they can be obtained from the County. The bids received from Yamada & Sons were to bring the roads to County standards.

Bill Carlson asked whether the members of the Association want the County to take over responsibility for the roads. Gerard said the first step is to be certain the County is willing to do so before the issue is presented to the membership for a vote.

Frank said the proposal will require approximately another year, with continuous input from the committee, before final approval.

Security: Bobbi presented quotes from Alii Fencing and Big Island Fencing for fencing from the shop yard to the front gate, approximately 380 feet, and possibly two gates. Big Island's bid, with gates, was for \$8440; Alii's bid was \$5600.

Barney Sheffield moved that a security fence is not needed at this time. Erhard Autrata seconded; the motion passed unanimously.

Shoulder Maintenance Specifications Proposal: Rick presented a proposal for shoulder maintenance, providing that the shoulders be improved to a full five feet by grading or scraping so that "no rocks, roots, stumps or other impediments to mowing shall extend more than 3 inches above the ground." The proposal also provides for leveling or sloping the easements so that water drains away from the roadways. Contractors will be responsible for removal of brush or debris, and for preventing damage to the roadway by tracked equipment.

Erhard said that he spoke to the arborist at HELCO about cutting trees on the easement, and was told that if the landowner gives permission, they will cut the trees to the ground.

Erhard moved to send a letter to representatives of the electric company and the telephone company, giving them permission to cut trees to the ground on HPPOA easements. Barbara Kahn-Langer seconded; the motion passed unanimously.

Gerard asked Rick to add to the proposal that main roads are sixty feet wide, including easements.

Bobbi expressed concern that tracked equipment may damage the roads. Allan suggested adding that contractors are responsible for damage to the paved roads. Barbara asked about requiring the contractors to carry a bond. Allan said every contractor carries a liability bond; a performance bond assures that the work is done to the standard and within the time frame specified. Performance bonds are expensive; this cost will be passed back to the Association. He said rather than require such a bond, he will simply not sign a check paying a contractor unless the work is satisfactory.

Erhard said 60-70% of the shoulder maintenance could be done with the Association's loader.

Barney objected that HPPOA does not have the labor for this project.

Allan Deehr moved that the General Manager put out the document, "Specifications for improving roadway shoulders" (with the wording changes discussed) for at least three bids. Barbara Kahn-Langer seconded; the motion passed unanimously.

Bobbi said she first must identify the roadways to receive easement work; she will present bids at the next Board meeting.

Allan Deehr moved that the General Manager be authorized by the Board to hire through a temporary agency clerical help to assist with the receipt and documentation of road fee payments, freeing her to address other responsibilities. Barbara Kahn-Langer seconded; the motion passed unanimously.

New Business

Ad Hoc Road Committee:

Gerard Silva moved to solicit bids at this time for paving Paradise Drive from the Highway to 20th Avenue at current County standards so that paving can proceed as soon as monies are available at the beginning of the fiscal year. Allan Deehr seconded; the motion passed unanimously.

Allan asked that the intersection at 18th and Kaloli be put first on the list for needing an apron. Gerard said that 20th and Maku`u also drops off suddenly. Erhard suggested applying a bitmul sealer before coldpatching potholes, and also compacting them.

Erhard Autrata moved to purchase a compactor, the Wacker 1550. Barbara Kahn-Langer seconded; the motion passed unanimously.

Agenda for General Membership Meeting: Frank suggested that owner input be moved to the beginning of the meeting and asked Bobbie Alicen to act as facilitator. Board response will follow all owner input and be limited to three minutes per issue; the flip chart will be used to itemize issues discussed. Other agenda items include: approval of minutes, treasurer's report, special reports (General Manager, Frog Squad, and Neighborhood Watch), unfinished business (District Improvement Proposal), new business (phone tree, nominating committee, and clarification of Association authority and community standards).

Treasurer's Resolution: Allan presented a resolution for collection action as a result of the auditor's concern that the matter required immediate improvement, as well as the need for additional funds to provide adequate road maintenance.

Barbara Kahn-Langer moved that the Treasurer of HPPOA be authorized to commence collection action against the ten properties with the greatest outstanding balance of delinquent road assessment in accordance with Article XI, Section 3 of the Association Bylaws as amended June 12, 2004. Barney Sheffield seconded; the motion passed unanimously.

The accompanying letter will need to be translated into other languages as appropriate.

Letter from Marlene Lundquist: The issue of ingress and egress on main roads has been called into question in relation to the Vurich's special use permit application. Allan stated that in this case, the conditions of the last special use permit have not yet been met. Bobbi suggested that since the Association owns the easement on main roads, it can prohibit driveways on the main roads to lots with alternative access. Barney stated that existing driveways must be grandfathered in.

Allan Deehr moved that the Board ask the Planning Department to issue no building permits which provide ingress or egress on any of the four main roads unless the lot is landlocked and has no other access to public roads. Erhard Autrata seconded; the motion passed unanimously.

Allan Deehr moved that the Board instruct the General Manager to send a letter to the Planning Department before the contested case hearing on March 3, 2005, requesting that no additional permit be granted unless and until the Vurichs have complied with the conditions of the previous permit. Barbara Kahn-Langer seconded; the motion passed unanimously.

Barbara asked that copies of the letter also be sent to Gary Safarik and to Corporation Counsel.

Other: Rick Frazier proposed exploring the cost of hiring a contractor to roll and grade the cinder roads a minimum of three times per year per road, and more often as needed due to high traffic, weather or other damage.

Rick Frazier moved to solicit bids for rolling and grading services for the cinder roads. Allan Deehr seconded; the motion passed unanimously.

Adjournment: Allan Deehr moved that the meeting adjourn to executive session at 9: 26 p.m. Barney Sheffield seconded; the motion passed unanimously.

Respectfully submitted by:

Kirstie Goin, Recording Secretary

Mark Cook, Corporate Secretary

Motions Log

Gerard Silva moved to approve the minutes of January 12, 2005, as written. Bill Carlson seconded. Gerard Silva, Bill Carlson, Barbara Kahn-Langer, Allan Deehr, Erhard Autrata, and Barney Sheffield voted for; Rick Frazier abstained as he did not attend that meeting. The motion passed

Barbara Kahn-Langer moved to accept the Treasurer's Report as presented; Gerard Silva seconded. The motion passed unanimously.

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DELINQUENT ROAD FEES

RESOLUTION # 1

WHEREAS, the 2003-2004 fiscal audit noted delinquent road fees for over 1,000 properties for four consecutive years was a concern of internal control structure and an operational matter that needs immediate improvement; and

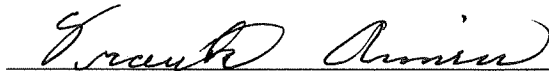
WHEREAS, the Hawaiian Paradise Park Owners Association needs additional funds to meet its obligation to provide adequate road maintenance;

THEREFORE, BE IT RESOLVED THAT:

The Treasurer of the Hawaiian Paradise Park Owners Association is authorized to commence collection action against the ten properties with the greatest outstanding balance of delinquent road assessment in accordance with Article XI, Section 3 of the Association Bylaws as amended June 12, 2004.

Those actions may include, but are not limited to attachment, execution on lien, foreclosure, and writ of possession.

DATED: February 9, 2005



Frank Annin, President

Mark Cook, Secretary