

**Minutes of Board of Directors Meeting
October 10, 2002**

DIRECTORS PRESENT: Lisa Daly, George-ann Kealoha, Sharon Morris, Ann Pitcaithley, Brian Ross, and Lynn Wellner

DIRECTOR ABSENT: Don Varni

OTHERS PRESENT: Lyn Erickson, Administrative Assistant

CALL TO ORDER AND DETERMINATION OF QUORUM

President Ann Pitcaithley called the meeting to order at the residence of Lisa Daly at 7:00 pm and determined that a quorum was present.

APPROVAL OF MINUTES

Motion: To approve the minutes of the April 1, April 8, and July 11 board meetings and the July 21 written consent. Seconded and carried unanimously (Ross/Wellner).

TREASURER'S REPORT

Treasurer Lisa Daly presented the treasurer's report, noting that our net income through September is \$2,022 and we have a total of \$24,900 in our checking and savings accounts as of September 30. She also reviewed several areas in which we have reduced expenses since taking over from Oihana.

Lisa noted that there was an unexplained balance of \$80 that Oihana's records showed as owed by owner Guenter Stetter. He has also been charged \$5 late fees for the past three months, for a total due of \$95.

Motion: To write off \$95 owed by Guenter Stetter due to the unexplained balance from Oihana and three months' late fees. Seconded and carried unanimously (Daly/Morris).

DESIGN COMMITTEE REPORT

Chairman Lynn Wellner reviewed several items, and her report was received by the Board.

ADMINISTRATIVE ASSISTANT'S REPORT

Lyn Erickson thanked board members for their assistance and asked how often they would like to receive financial statements. The board requested that they be sent semi-annually, with the treasurer receiving them monthly.

OLD BUSINESS

Outcome of recount – President Pitcaithley explained the outcome of the recount, which gave Don Varni a seat on the board.

Change of landscapers – The president noted that we have a new landscaper who charges \$350 a month, which is less than half the amount charged by the previous one.

NEW BUSINESS

Election of new vice president to replace Jennifer Maskrey – This item will be put on the agenda of the

next meeting.

Resolutions to authorize signatures of new officers on bank accounts – This item will be put on the agenda of the next meeting since no vice president was elected.

Excessive charges for water – There was discussion on the reasons for our high water bills.

Motion: To have Darlene Brothers cap the water lines serving the 6 obsolete zones at a cost not to exceed \$150. Seconded and carried unanimously (Morris/Ross).

Determination of 2003 maintenance fee and approval of 2003 proposed budget

Motion: To approve the proposed 2003 budget and maintenance fee reduction from \$75 to \$60 per quarter. Seconded and carried unanimously (Morris/Ross).

Authorization to send notice of board meeting by email pursuant to Article IV, Section 2(b) of Bylaws

Motion: To authorize notices of board meetings to be sent by email. Seconded and carried unanimously (Daly/Ross).

Reimbursement to Ann Pitcaithley for siding expenses

Motion: To reimburse Ann Pitcaithley \$101.80 for photos and postage related to the siding issue. Seconded and carried unanimously (Daly/Kealoha).

Filing RICO complaint and/or lawsuit against Oihana Property Management – There was discussion on this matter. Ann will file a complaint with RICO. Lyn Erickson said that Oihana did not pay any general excise tax on late fee income as required by the State of Hawaii. Our accountant, Roen Hirose, CPA, informed her that we should pay this tax.

Motion: To begin paying general excise tax on late fee income, effective July 1, 2002. Seconded and carried unanimously (Ross/Kealoha).

Funding for reserves, retention basin, and contingency fund – There was discussion on determining the amounts needed in each of these funds. Removal of trees in the retention basin will be looked into before the next board meeting. Brian Ross and Sharon Morris will work on the information needed to prepare a reserve study.

Procedure/committee for handling grievances/complaints – Lynn Wellner volunteered to chair the Complaints Committee.

Satellite dishes – There was discussion on this matter, and it was decided that, since they are a type of antenna, they are prohibited by the covenants if they are “visible.” Complaints about existing dishes will be addressed individually when we receive them.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:25 pm.

Minutes prepared by:

Approved by:

Date: October 23, 2002

/s/ Lyn Erickson

/s/ Ann Pitcaithley

Lyn Erickson, Admin. Asst.

Ann Pitcaithley, President