

MINUTES OF THE ORGANIZATIONAL MEETING FOR
THE BOARD OF DIRECTORS OF
KU'AU BAYVIEW AT PAIA HOMEOWNERS ASSOCIATION
May 26 and June 1, 2004

A brief meeting of the newly elected board of directors of Ku'au Bayview at Paia Homeowners Association was held following the annual meeting on May 26, 2004. Members are as follows:

Michael Ebeling
Stephan Bielawski
Jo Moyes
Julie Barnes Foley
Randy Sarrow
Gail Burns
Bob Pellettieri

A brief discussion was held regarding the following issues:

- A letter of appreciation to the outgoing board would be drafted by Randy and presented to the board at the continuation of the organizational meeting.
- The idea of a block party was discussed as a way of affirming this board's positive outlook for the future.
- Quarterly meetings of the board of directors would be held and all meetings would be noticed to all homeowners and would be open meetings.
- Estimates of conducting an audit of the association's financial records will be obtained by Bob and presented to the board at the continuation of the organizational meeting.
- A presentation to the homeowners regarding the cost and duties of a professional management company versus self-management.

Election of officers was held and the results are:

Stephan Bielawski, President
Randy Sarrow, Vice President
Julie Barnes Foley, Secretary
Bob Pellettieri, Treasurer

It was agreed that this brief meeting be adjourned and reconvened on June 1, 2004 beginning at 6:00 p.m.

President Bielawski called the continuation of the organization meeting to order at 6:04 p.m. on June 1, 2004, at which time he presented a general statement to the board members,

as well as a request that all open meetings be tape recorded. All board members agreed with the tape recording of open meetings.

Vice President Sarrow reported he had obtained boxes of the association's documents from the outgoing board. Obtaining a filing cabinet to store all files in was discussed so that in future years the cabinet could be moved to the new secretary's residence. Treasurer Pellettieri volunteered to check on the price of cabinets.

Vice President Sarrow also recommended that the board not try to recover incidental property, i.e. a 3 in 1 printer/copier/scanner, or undo actions of the previous board regarding such property. On oral vote of the board, six members concurred with Vice President Sarrow with Director Moyes abstaining.

Treasurer Pellettieri presented three estimates he received from CPAs for an audit of the association's financial records. These estimates were from Sharron Courter, James & Associates and Hirose, Kato & Co. All board members unanimously agreed that an audit should be performed. After discussion and review of the qualifications of each firm who bid on the audit, six members voted to retain the services of Sharron Courter to perform the audit with Director Moyes abstaining.

Director Burns, who is currently a member of the Design Review Committee, and Director Ebeling, currently an alternate on the Design Review Committee, will speak with Marion Haskins and see if she wishes to remain a member of that committee. Director Burns stated that Marion's contributions to the committee are greatly appreciated, and it is the board's hope that she will wish to remain a member. Director Moyes suggested that perhaps the committee should have five members instead of the current three members. This option will be explored further and discussed in more detail at the next board meeting. Director Moyes also volunteered to help on this committee in any capacity necessary.

Vice President Sarrow read a letter that he drafted to the outgoing board expressing appreciation for their contribution to the association during the past year. By unanimous vote, the letter will be sent.

Vice President Sarrow discussed the possibility of obtaining a domain for a Ku'au Bayview website. He estimated the cost would be approximately \$200 per year. By unanimous vote, the board decided that it will register and host a website, and Vice President Sarrow volunteered to do the work involved in setting up the website.

President Bielawski suggested the formation of a communications committee. Director Ebeling nominated President Bielawski to chair the communications committee with Treasurer Pellettieri seconding the nomination. The vote of the board was unanimous and the committee will consist of President Bielawski as chairman, and the other members of the committee will be Vice President Sarrow, Director Burns and Secretary Foley.

A brief discussion was held regarding the possibility of the board hosting a block party as a means of strengthening the cohesiveness of the neighbors. By unanimous vote, Director Ebeling will investigate the possibility of hosting such an event.

Treasurer Pellettieri spoke briefly about having a property management firm versus self-management or possibly a combination of the two. The board unanimously agreed to outsource the bookkeeping functions as soon as the audit was completed and to ask Sharron Courter if she would consider performing bookkeeping duties for the remainder of this year. It was also decided that an explanation of the two types of management styles would be presented to the homeowners, the board would ask for comments and the matter discussed at our next board meeting. Treasurer Pellettieri will work up a comparison that will be presented to the homeowners.

The next topic of discussion was the checking account. Treasurer Pellettieri had the bank signature cards that needed to be signed by the directors who would now be authorized to sign on the account as well as the two outgoing directors. It was unanimously agreed that the President and the Vice President would be the signators on the account and that any check over \$200 would require the signature of both parties.

President Bielawski proposed the organization of a finance committee and requested that Treasurer Pellettieri be the chair of the committee and the members would be President Bielawski, Vice President Sarrow and Director Moyes. The board unanimously agreed with the formation of the finance committee and the members of said committee.

Vice President Sarrow and Treasurer Pellettieri volunteered to review the present insurance policy to ascertain if the coverage is the same as the previous policy. The board unanimously agreed to this.

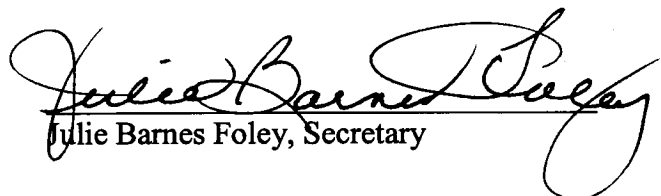
Vice President Sarrow proposed setting up a pay pal account for the internet service. This would be a separate bank account and the fees for the internet service would be deducted each month. This account would have the same parameters as the checking account on signature requirements. The board unanimously agreed that a pay pal account be set up with the specific requirements listed above.

A discussion ensued regarding the situation with the owner of Lot 85, the fine levied by the previous board and the response of Paul Ueoka of Carlsmith Ball on behalf of the owner. Vice President Sarrow will email all board members a copy of Mr. Ueoka's letter and this matter will be discussed at the next board meeting.

It was discussed and decided among the board members that all open meetings would be held at the Paia Community Center. The next meeting of the board of directors will be an open meeting on Tuesday, July 13, 2004, 6:30 p.m. to 8:00 p.m.

There being no further business, the meeting was adjourned at 7:53 p.m.

Respectfully submitted,


Julie Barnes Foley, Secretary