

**BOARD OF DIRECTORS MEETING OF
KU'AU BAYVIEW AT PAIA HOMEOWNERS ASSOCIATION
January 18, 2005**

I. CALL TO ORDER

President Stephan Bielawski called the meeting to order at 6:40 p.m. The meeting was held at the Paia Community Center Conference Room.

II. DECLARATION OF QUORUM

President Bielawski announced there was a quorum present with the following six directors present: Stephan Bielawski, Robert Pellettieri, Julie Barnes Foley, Michael Ebeling, Jo Moyes, and Bridget Reardon. Director Gail Burns was absent.

Also in attendance were the following homeowners: Milly Boren, Mary Sweet, Lynn Wellner, Ann Pitcaithley and Bob Foley.

III. CONDUCT OF BUSINESS

In accordance with Article IV, Section 5 of the Bylaws, an open meeting was held. The meeting was held under the format of Robert's Rules of Order. The meeting was tape recorded and by their continued presence, all in attendance consented to being recorded.

IV. READING/APPROVAL OF MINUTES

Minutes of the October 19, 2004 board of directors meeting were distributed for review.

Motion: *To approve the minutes of the October 19, 2004 meeting with one correction. (Pellettieri/Moyes) Motion adopted.*

V. REVIEW OF PAST ACTIONS

Secretary Foley reviewed the votes/actions taken via email vote, email votes being valid under Article IV, Section 2 of the Bylaws. Those actions include:

- Accept Director Randy Sarrow's resignation and appoint Bridget Reardon for the remainder of the year.
- Appoint Director Moyes as chairperson of the Design Review Committee.

VI. RETENTION BASIN UPDATE

Director Moyes reported that the fence was repaired in November at a cost of \$400. Four "No Trespassing" signs have been placed on the fence surrounding the basin. Two bids have been received for clearing the base of the basin so far -- 1) \$8,500 to slash and clear the driveway, the base of basin, removal of seven small trees and remove all debris, and 2) a bid for \$2,160, (two days labor at \$135 hour for a team of eight to ten workers), the contractor

felt it was only willing to estimate based on an hourly rate (they estimated more time may be necessary). It has been difficult to find contractors willing to bid on the work entailed. More bids are still being sought. Director Ebeling will now be in the person with direct responsibility for the retention basin.

VII. DESIGN REVIEW COMMITTEE REPORT

Director/Chairman Moyes informed the board that there had been five applications to the DRC, two were for fencing, two for additions and one for a gazebo. All had been approved, one with modifications.

Homeowner Mary Sweet inquired about a deck being built by her backyard neighbor. She was informed that project had been approved in April 2004.

Homeowner Ann Pitcaithley inquired if there was a county rule that stated that a dwelling could not equal more than 50% of the lot. There is no such rule in R1 zoning, which is what Kuau Bayview is, and she was advised that the recorded CC&Rs do not include such a provision.

VIII. FINANCE COMMITTEE REPORT

Treasurer Pellettieri provided a profit and loss as of 9/30/04 prepared by Sharron Courter. We now have two accounts – there is \$22,900 in the reserve fund and approximately \$47,000 in the checking account. We did not have a copy of the 2004 budget to show where we were relative to spending. With the exception of legal and accounting fees, no funds have been expended other than the normal landscaping and utilities.

Homeowner Ann Pitcaithley inquired when we first started paying Sharron Courter. Treasurer Pellettieri advised that Ms. Courter was retained for the audit and is now doing bookkeeping services. The first check to her in October was to rework all of the financials back to January 1. Ms. Pitcaithley inquired if there were no business transactions other than the landscaping why Ms. Courter would have been paid in November. Treasurer Pellettieri stated that Ms. Courter is getting the books all set up to do the billing to the homeowners and handles the bank statements each month.

IX. FINANCE COMMITTEE

Treasurer Pellettieri provided a report from the finance committee. He stated that the notification for the 2005 dues increasing to \$300 per year had been sent in early December. Ms. Pitcaithley questioned the entry for property taxes stating that Oihana said this didn't have to be paid so there shouldn't be an entry in the budget for it and previous bookkeepers established that no property taxes were due for our common areas, since this doesn't have to be paid there shouldn't be an entry in the budget for it. Treasurer Pellettieri stated that a budget is only a tool and if the entry for taxes isn't paid on taxes it will be used in another area or put into the reserve fund.

X. SPEED HUMP UPDATE

Director Moyes reported that a mailing was sent to every homeowner in November '04 regarding the Speed Hump Initiative for the subdivision. Then committee members went to the owner occupied properties for signatures and feedback, and we received signed votes from absentee owners. She reported that most homeowners are in favor of the speed humps, but she still needs a response from about 18 or 19 owners to complete the campaign.

XI. ANNUAL MEETING

President Bielawski asked for input from the directors on the date of the annual meeting. It was decided that we would continue with a Tuesday evening meeting and selected Tuesday, April 26, 2005, beginning at 6:30 p.m. Discussion among the board and homeowners ensued regarding which facility to use, and it was decided that the larger hall would be more appropriate for the annual meeting. Secretary Foley will check on the facility. If it isn't available on the 26th, the back-up date is April 19. Homeowner Lynn Wellner volunteered to assist with the pupus and drinks.

President Bielawski stated that per the bylaws there was one seat up for election, the seat presently held by Bridget Reardon.

XII. OPEN FLOOR

Mary Sweet expressed a concern about parking on Laenui Place at a couple of homes that appear to be not only rentals, but short-term rentals. Also the yards on two lots are only maintained every couple of months. Director Ebeling gave the homeowner a grievance form to fill out and submit. Director Ebeling informed the homeowner that 90% of the people respond to a nice telephone call. With regard to the parking, the other option would be to call the police.

Mary Sweet stated that although some people are concerned about the cost of mailing, she believes it is well justified to mail things out rather than use email. Director Ebeling responded that the reason this board uses mail is that we take a request in, make a unified decision and the board's position is directly related back to the person on a printed page and the board believes formal communication must be done by mail.

Lynn Wellner asked permission to use the board website to inform people about the recycling of phone books. The request was denied, although the board did discuss other alternatives regarding this request.

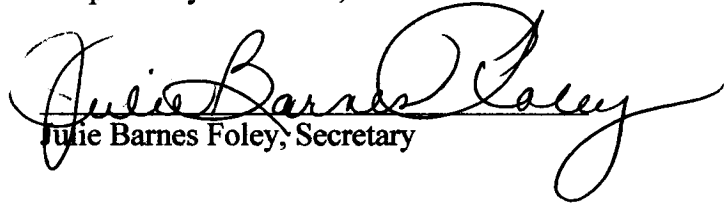
Mary Sweet asked if a current directory of owners or residents was available for publication. Treasurer Pellettieri stated there might be a privacy issue and before we would publish such a list we would seek legal advice on doing so. If it were permissible, the list would be available at the annual meeting.

Milly Boren stated that it was nice to attend a meeting where business was conducted in a business-like manner.

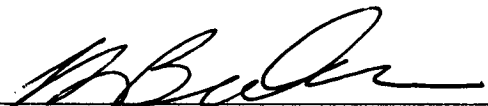
XIII. NEXT MEETING/ADJOURNMENT

There being no further business to bring before the board, President Bielawski adjourned the meeting at 7:55 pm

Respectfully submitted,


Julie Barnes Foley, Secretary

These minutes are approved for distribution.



Stephan L. Bielawski, President