

HOVE Road Maintenance Corporation
Board of Director's Meeting
January 7, 1997
St. Jude's Church, Ocean View

I. Call to Order

The January 1997 meeting was called to order at 4:00 pm by President Tito Haggardt. Present were Wiese, Swangel, Clark, Irvine, Haggardt, Harper, Jensen, Shilzony, Self and McKinney. Absent was Courtney Murrill. The staff members present were Jean Redman, Mac Kaupu, and Jeff Anderson. The audience consisted of two property owners.

II. Announcements

a- Mr. Rick Merschdorf, of Smith-Barney Investments, Kailua-Kona, reported on the status of the Investment Fund, which he is overseeing. He reported that the fund has been under his control since April 4, 1995. The total funds invested at that time were \$684,137. These have been diversified into three main groups.

As of this time, about 55% is in an equity growth fund of stocks of large companies, about 27% has been invested in an International Stock Fund directed by Leslie Farras, while the balance, about 18%, is in Bonds and is being managed by himself. In the time period from April 4, 1995 to January 6, 1997, the fund has gained about \$176,721. The balance now stands at \$860,858.

During the year, January 1, 1996 to December 31, 1996, the fund (all three groups) showed a gain of \$92,887, or a little better than 12%. It was stressed that, although this report shows a fair return, there is no guarantee of that percentage for future returns. There was some discussion of how these funds should be tapped for use, but no conclusions were drawn.

b- A motion was made, seconded and passed to accept the verbal resignation from Courtney Murrill as board secretary. A motion was then made, seconded and passed to nominate Joe Jensen as the new board secretary. Duties began immediately. However, a written resignation from Courtney Murrill will still be required.

III. Minutes of Previous Meeting

The minutes of the December 1996 meeting were not available at this time, but will be presented at the February meeting.

IV. Treasurer's Report

a- The treasurer reported that during 1996, \$1,141,052 had been billed to the owners. Of this, \$954,630 had been collected. In addition to this, \$128,599.64 had been received from past-due accounts. This results in a surplus of about \$50,000 in the 1996 budget.

b- The treasurer then submitted a motion, seconded by McKinney, and passed, which stated that: General Authorization be granted by the Board of Directors to pay the following bills in excess of \$1,000.00, in 1997, without further board action, as called for in Article VIII, section 8.3:

1. Bi-weekly pay checks
2. Payments of Social Security, SUTA, FUTA, and FICA
3. Major equipment repair, up to a limit of \$3,000.00
4. Medical Insurance payments
5. Regular Insurance payments (Worker's Comp, Liability, etc.)
6. Postage and printing costs for the Newsletter sent out prior to the annual meeting.

c- The treasurer also submitted a motion, seconded by McKinney, to authorize payments of under \$1,000.00 made by the Board president. The motion passed.

V. Foreman's Report

A written report was presented, with some discussion and no changes made.

VI. Unfinished Business

a- The proposed construction on Marlin was briefly discussed and was referred to the Road Committee for a report at the next meeting.

b- The matter, brought before the Board at the December, 1996 meeting, concerning the "swap" of cinder (Road Corp.) for fill material (Eugene Dudoit) was considered. McKinney made a motion authorizing the foreman to set up the swap, with the following conditions:

1. Foreman to approve the swap.
2. Staff to be present when the material is dumped.
3. Staff to be present when the cinder is picked up.

After considerable discussion, the motion was ammended to incorporate verbiage that all swaps are to be made at the time of need, and that the material is NOT to be stockpiled. The swap is to be made on a yard-for-yard basis, with on-site delivery.

The discussion which followed resulted in a second ammendment to the motion. This ammendment states that this "swap" is to be given a six-month trial period. This ammendment passed. The first ammendment, concerning the avoidance of stockpiling, was then voted upon and passed. Finally, the initial motion was considered and passed.

c- Mr. Clyde Crawfoot, a member of the audience, asked if he might have the floor. Request was granted. He had good words of praise for Jean Redman and all of the field staff.

VII-New Business

Three items on the agenda were considered:

a- A plan for time management was briefly discussed and handed to the Planning Committee for consideration.

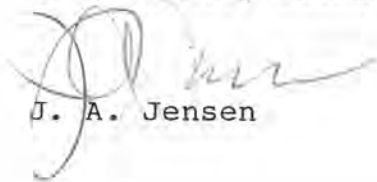
b- The possibility of using a collection agency to collect past-due accounts was briefly discussed and handed to the Finance Committee for consideration and report back to the Board.

c- A plan to decrease the assessments was presented. It appears that a small surplus in budgeted funds would result. It was proposed that these funds be returned to the owners in the form of a reduced assessment. The discussion that followed

resulted in a motion by Self to "retain the funds and incorporate them into the 1998 budget, to do whatever work is needed". This motion was ammended to "make these funds immediately available, for use as need dictates". This ammendment was passed, as was the initial motion.

VIII. Meeting adjourned at about 5:35 pm, by a seconded motion that was passed.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "J. A. Jensen", is written over the typed name.

J. A. Jensen

HOVE Road Maintenance Corporation
Board of Director's Meeting
February 4, 1997
St. Jude's Church, Ocean View

I- Call to Order

The February 1997 meeting of the HOVE Road Maintenance Corp. was called to order at 4:00 PM by Pres. Haggardt at St. Jude's Church in Ocean View. All board members were present. Three staff members, Jean Redman, Mac Kaupu and Jeff Anderson were also in attendance. The audience consisted of Merle Martin and Ken Arbo.

II- Announcements

A letter from First Insurance Company of Hawaii, Ltd., was read to the Board. This letter summarized the November 20, 1996 visit of Mr. Gerald E. Hirata, Senior Loss Control Consultant, and made four recommendations for improvements. These dealt principally with additional signage and education of the users. No formal action was taken by the Board.

III- Treasurer's Report

Frank Harper reported that collections for the current year are being received, and that past due accounts are coming in at the rate of about 8% per year.

IV- Foreman's Report

The Foreman's report was accepted as submitted. Mr. Kaupu was questioned as to the time required to blockade a dead-end street. It appears that there are about 50 situations where, for safety reasons, blockades might be placed, along with warning signs. It was reported that a blockade could be installed in approximately one work day.

This information resulted in a motion by Harper, that was seconded by Clark, to purchase materials and perform the labor to install a blockade at the end of Kailua Blvd. This is to be done in accordance with accepted standards and at this one specific location. The motion was passed.

V- Unfinished Business

a- Time Management. A motion was made by McKinney and seconded by Clark for the Board to "approve a new time management system for the Maintenance Corporation. As proposed, the system is to consist of three forms: 1) Job Plan, 2) Job Cost and 3) A time sheet. These are to be devised and then honed to result in a full time Program". Discussion resulted in an ammended motion by Self, seconded by Clark to "establish a three-month trial period for this new program". This ammendment was passed. The motion was then voted and passed by a 10 to 1 margin.

b- Collection Agency. A report from the Budget and Finance Committee was considered. It was reported that delinquent dues are being received on a continuing basis. The recommendation of the Committee was to NOT refer these delinquent accounts to a Collection Agency.

VII- New Business

a- Capital/Safety Improvements. A motion by Harper was presented, as follows: "That \$300,000 be identified in current assets as a Capital Improvements and Safety Fund." This was passed, 9-2.

Further discussion resulted in the establishment of a committee, to be headed by Self, to consider the priority of the capital improvements that are recommended. Volunteer members for this committee are Clark and Irvine.

b-Placement of Utility Poles. A request was made by the Legal Committee to look into the matter of Utility Company Easements in the subdivision. Specifically, there is need to know what process is now being used to grant these easements, and if this can be altered. The thrust is to review the current status of the process and to establish a working program, if the current program is inadequate.

VIII- Other Business

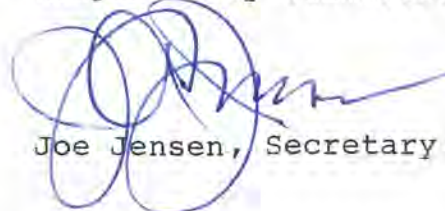
a- A motion was proposed by Self to "Order the construction of the power line to the Base Yard and make the connection within the estimated cost of \$13,500.00". The motion was passed, 11-0.

b- Wiese announced that he was to accompany Mr. Carl Wing on the annual Survey of the roads within the subdivision. He asked to be compensated for the fuel in the use of his car in this endeavor. It was concluded that this expense would be covered within the "authorized payments of under \$1000.00 made by the Board President", as passed at the January Meeting.

IX- Adjourn

The meeting was adjourned at about 5:45 PM.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Joe Jensen', with a large, circular flourish at the beginning.

Joe Jensen, Secretary

H. O. V. E. Road Maintenance Corporation
Board of Directors Meeting
St. Jude's Church
Ocean View, HI.
March 4, 1997

I. Call to Order.

The March monthly meeting was called to order at 4:00 P.M. The nine members present were--Self, Murrell, Clark, Harper, Haggardt, Jensen, Irvine, McKinney and Wiese. Jean Redman, from the staff, was present and Ken Arbo made up the audience.

II. Announcements.

A. A letter from Mr. Alvin Franco was considered. Mr. Franco advised of his sign business, located here in Ocean View, and requested that he be considered as a supplier of signs used by the Corporation. He will be notified that he will be placed on the bidder's list for the next order of signs.

B. The president advised the Board that the local Business Man's Organization will be reformed as a Chamber of Commerce, giving the group a broader scope of activity.

C. A local committee of the newly formed Chamber of Commerce will be appointed and will be composed of representatives from each of the existing community groups, such as H.O.V.E. Road Maintenance Corp., HOVECA, etc. This organization will apply for grants for projects, such as the water test well. The Board was also advised that this will lead to the preparation of construction standards for roads and for water and sewer line projects.

D. Concerning the question of paving driveway aprons, the Board was advised that it had approved this action at the April 2, 1996 meeting. The crew is to chip seal the driveway up to the property line. The discussion brought out the fact that in the future a permit should be issued for all new driveway locations and that standards for this construction should be developed. The president considered that these questions should be referred to the "Roads" and "Safety" Committees, with a report back to the Board.

III. Minutes of the Previous Meeting.

A. Correct the Treasurer's Report to read, "Eight percent of current years billings have been received and the past due accounts are still coming in at about 20% per year.

B. Item VII B should read, "A request was made of the Legal Committee-----".

C. The minutes were approved as corrected.

IV. Treasurer's Report.

Frank Harper reported that 46% of the current years annual billings have been received. In addition, Mr. Harper offered a two part motion for Board consideration. 1- That the "Financial Statement and Audit" of the H.O.V.E. Road Maintenance Corporation be done on both an accrual and cash basis as required by the By-Laws (Section 9.4 Annual Accounting), and 2- That the Audit and Accounting support be put out for bids to at least three (3) auditors and that the auditor be selected by the Board based upon the bid amount and capabilities. The motions were both passed.

V. Foreman's Report.

A report of the past months activities was discussed and the president was asked to determine the cost and details of the construction of the barricade that was ordered during the last meeting.

VI. Unfinished business.

A. The audit item was considered during the treasurer's report.

B. Bob Self presented a motion, "Directors are prohibited from being hired, either as employees or contractors, by the Corporation for a period of five years, following their tenure on the Board". Steve McKinney offered an amendment to, "Change the five year waiting period to three years". The amendment was approved, but the amended motion was defeated 5 to 4, with the president voting.

C. The matter of allocating the Capital Improvements budget, approved last meeting, resulted in a number of separate motions by Bob Self. Note: In the allocation of these funds it is required that all equipment and materials must be acquired through conventional bidding procedures.

1. A motion was made to "allocate \$100,000 for a new dump truck". The motion was amended "to use the 5% from the Trust Fund for the purchase of the truck, with the balance to be taken from the Capital Improvements Fund". (The full 5% is to be used for the truck.) The amendment was passed. The amended motion was then vote upon and passed.

2. It was moved, "to allocate \$10,000 for a new self propelled paint striper". The motion was passed.

3. A motion was made, "to allocate \$20,000 for engineering, materials, electrical, etc. for an addition to the shop building". (Note- this is to be a 20' by 30' addition on the East end of the existing shop building and the construction labor will be accomplished by the crew.) This was passed unanimously.

4. A motion was made and passed, "to allocate \$16,000 for

a new chip spreader".

5. A motion was made, "to allocate \$30,000 for the purchase of new and/or additional signs and for the additional labor for installation". (Ed. note- Such as street names and/or traffic and directional signs.) The motion was passed.

6. A motion was made and passed, "to allocate \$5,000 for the purchase of two new bits and a hydraulic re-build kit for the Hoe-Ram".

D. A motion was made, "to erect two new stop signs on Keaka at the Lotus Blossom intersection". (This will make all three streets signed for stopping.) This motion was then amended, "to also erect two new stop signs on Princess Kaiulani Blvd. at the intersection of Lotus Blossom". (This will make all four streets signed for stopping.) Both the amendment and the motion were passed.

VII New Business.

A. A letter from the Rt. Rev. Gilliam of St. Jude's Episcopal Church of Ocean View was distributed. The letter was asking if the Corporation would be interested in contracting the re-paving of the church parking lot? A reply was instructed to advise that the Corporation will not be in position to undertake the project in the near future, for the lack of a contractor's license.

VIII Adjourn.

The meeting was adjourned at 5:45 P.M.

H. O. V. E. Road Maintenance Corporation
Board of Directors Meeting
St. Jude's Church, Ocean View, HI.
April 1, 1997

I. Call to Order-

The April Meeting was called to order at 4:00 P.M., With all members present. Jean Redman was the only staff member in attendance, and there was no audience.

II. Announcements-

A. Jim Wiese advised that he would be absent for the next three months and the absence was acknowledged by the Board.

B. President Haggardt announced that the Mayor has made it known that he would like to negotiate with the Corporation to get some of the rural roads dedicated. This will result in the proposal of Rural Road Standards, also. It was concluded that this meeting be scheduled and attended by at least he and Jean Redman.

C. The board was advised of a request to allow a piece of road equipment to be used in an upcoming Fourth of July Parade, here, in Ocean View. There was no disagreement with this request.

III. Minutes of Previous Meeting-

The minutes were approved as submitted, with Courtney Murrill objecting to what she thought were incorrect statements in Part "II C".

IV. Treasurer's Report-

Frank Harper reported that, to date, \$684,876 in annual billings have been received. He stated that this amounts to about 68% of the 1997 billing. Of this, approximately 2% represents past due billings.

V. Foreman's Report-

A. The monthly Foreman's Report was read and briefly discussed by the Board members.

B. The previously passed motion (March '97), to direct the installation of stop signs at Keaka and Lotus Blossom and also at Princess Kaiulani and Lotus Blossom was reopened. The matter had been discussed with the Local Police Captain and his ideas and recommendations were considered. Thus a new motion was introduced (to supersede March '97), (1) to "place only one stop sign, leaving the right turn lane open on Lotus Blossom and signing only the Keaka entrance for stopping" and (2) to "place two Pedestrian Signs on Princess Kaiulani, each side of Lotus Blossom, and establish Cross Walks across Princess Kaiulani each side of Lotus Blossom". The motion passed.

VI. Committee Reports-

David Irvine discussed a status report regarding utility easements within the roads rights-of-way. The Legal Committee is still gathering basic information and will report to the Board in the future.

VII. Unfinished Business-

A. Audit Bids- Three proposals had been received from accounting firms for the preparation of the H.O.V.E. Road Maintenance Corp. books and accounts. Frank Harper put forth a motion, and recommended its adoption, to "accept the lowest bid from Ann Fukuhara, CPA for audit on both the Accrual and Cash basis, within the range of \$6,000 and \$6750". The motion was passed.

B. Two bids for the materials for the Shop Building addition had been received. A motion was made to "accept the bid from Krochina Engineering, for \$7,500 plus tax, FOB Oakland". After discussion an amendment was introduced to "include the Rolling Curtain Door at \$1,350 in the bid also". Both the amendment and the amended motion were passed. It is to be noted that Krochina Engineering will prepare the "Engineering Drawings" for the building for an additional \$2,500.

C. It was revealed that requests for proposals from four companies had been made for providing the new truck (see motion, March '97). Only one company responded with a bid. A motion was proposed and passed to "accept the single bid for the Peterbilt truck at \$96,987".

D. Jean Redman reported on the results of her investigation of alternatives for marking the dead end streets in the subdivision. A motion was made to accept the alternative that meets the minimum standards. The motion was to "place a single dead end sign and two red reflectors at the Kailua Blvd. location (see minutes of Feb. '97)". The motion was passed.

E. A motion was offered and passed to "order materials for the installation of the dead end signs and two reflectors for the remaining forty streets in the subdivision where dead ends exist".

VIII. New Business-

Jim Shilzony revealed that he had become aware of his conflict of interest as a Board Member and so offered to resign. Since Board Members are prohibited from being employed by the Corporation, by the By-Laws, his resignation was accepted by concurrence. He will retain his position as chairman of the Safety Committee. A formal letter of resignation will follow.

IX. Adjournment-

The meeting adjourned at 5:40 P.M.

H. O. V. E. Road Maintenance Corporation

Board of Directors Meeting
St. Jude's Church, Ocean View, HI.
May 6, 1997 Meeting Minutes

I. Call to Order-

The May 6, 1997 Board of Directors Meeting was called to order at 4:00 P. M. at St. Jude's Church. The Directors present were McKinney, Clark, Self, Harper, Haggardt, Irvine and Jensen. The staff was represented by Jean Redman and Mack Kaupu. There was no audience.

II. Announcements-

President Haggardt had the following items for Board consideration-

A. A brief guideline to establish standards for the rebuild projects proposed for 1997. Briefly stated these are,

*Establish a pavement width of 20 feet.

*Establish a shoulder width of 4 feet on each side of the pavement.

*Driveway easements (aprons) are to extend to 7 feet from the pavement edge or to the property line, whichever is the lesser, to insure protection for the main pavement. The width will vary with the width of the driveway, and more than one such access will be accommodated where necessary. In the case of privately owned road access, we will try to integrate our road into the access.

(Note-These guidelines are to be used until a report from a Civil Engineer can give us final standards.)

The Board accepted this proposal as stated.

B. The second announcement concerned a draft letter to be sent to John Santangelo, County Councilman, discussing the future of the Road Corporation, and the possibility of dedicating the roads to the county, but retaining the option for maintenance. The Board found no objection.

C. The third announcement concerned a draft letter to be sent to owners along Coconut Drive, (from Hula Lane to King Kamehameha Blvd., the road to be reconstructed this season) advising of the proposed construction. The Board found no objection to this proposed notice.

III. Minutes of the Previous Meeting-

It was moved, seconded and passed to accept the minutes of the April 1, 1997 Board Meeting, as presented.

IV. Treasurer's Report-

Frank Harper reported that, to date, \$763,232.70 (76%) of the 1997 fees billed, had been received.

V. Foreman's Report-

The Foreman's Report was read, discussed and accepted as presented.

VI. Committee Reports-

A. Budget and Finance Committee* A motion was made, seconded and passed as follows-

Any 1997 surplus of funds (to be determined in December) will be divided equally among all lot owners, in whole dollar amounts, to be used as credit towards their 1998 road assessments. Surplus funds not used as a credit will be applied to the operations funds.

B. Budget and Finance Committee* A motion was made and seconded to accept the budget as presented. During the discussion an amendment was made and seconded as follows-

1- The budget for 1998 be approved for \$958,338.

2- That the assessment for each un-incorporated lot be set at \$95 for 1998.

3- That if any assessment credit is allowed for 1998, this credit is to be determined at the January 1998 meeting, based upon actual funds collected in 1997.

Both the amendment and the motion were passed.

C. News Letter Committee* This newly established committee welcomed its new Chairman and Editor, David Irvine.

VII. Unfinished Business-

A. Striping Machine* It was moved and seconded that the lone bid (more bids were unattainable) for the Paint Striping equipment, for \$9620, delivered, be accepted. This motion was passed.

B. Change in By-Laws* A motion was made and seconded to change the first sentence of Paragraph 3.6 (Compensation) of the By-Laws to read as follows* "No director shall receive compensation for the services he may render to the Corporation, either during his tenure, or for one year following the termination of his tenure." An amendment was offered, but died for lack of a second. The motion was then passed.

C. Change in By-Laws* A motion was made and passed to change Section 9.4 of the By-Laws to delete the need for the cash basis annual audit report and account. The amended Section 9.4 (Annual Accounting), should now read* "An annual audit report and account, including statements of income and disbursement on an accrual basis, shall be available for inspection by members of the corporation office not later than 220 days after the close of the Corporations fiscal year or sent to any member for a fee of four dollars (\$4.00)."

D. Utility Easements* The Legal Committee presented a report concerning the question of utility easements in the subdivision. Based on this report, a motion was offered and passed, to accept the recommendations presented. These were* "1- To adopt a guide for the use of the road rights-of-way by any and all utility companies or individuals or entities that will encroach, by construction or other means, upon the public ways, and 2- to initiate a no cost permit system for all construction, or other encroachment, within the subdivision road rights-of-way. (Individual driveways being included in this permit requirement.)"

VIII. New Business-

For a matter of clarification, a motion was made and seconded to fix the presently collected \$50 Transfer fee to a one time fee per transaction (without recognition of the number of lots involved). After discussion, the second and the motion were withdrawn and a new motion was made. The new motion was to "change the fee to \$25 per lot". This was seconded and passed.

IX. Adjourn-

The meeting was adjourned at 5:04 P. M.

H. O. V. E. Road Maintenance Corporation

Board of Directors Meeting
St. Jude's Church, Ocean View, HI.
July 1, 1997
Meeting Minutes

The July 1997 regular Board meeting did not happen, due to a lack of a quorum. Those Board Members in attendance were Clark, Harper, Irvine and Jensen. Anderson and Kaupu were the two staff members that attended. Mr. Chuck Harlan, of Kona Cinder and Soil, was on hand to discuss his proposal for providing crushed base course rock at his cinder pit, a program that had been considered earlier.

Since a quorum was not in attendance, the meeting was called to order by Frank Harper at 4:00 PM and immediately adjourned. All business was postponed until the special meeting scheduled for July 22, 1997. Several items must be considered at that time, SO PLEASE PLAN TO ATTEND.

After the adjournment, Mr. Harlan's proposal was discussed with the board members present. As a point of discussion, see the memo of May 29, 1997, concerning this proposal. Mr. Harlan has honed his proposal and the new facts are--

1* A new estimate of quantity shows that only about 10,000 cu. yds. of the blue rock are available, instead of the previously estimated 20,000 cu. yds.

2* It was stated that the quality of the rock is such that the product will meet the specifications that the Corporation uses for base course.

3* Mr. Harlan will be able to provide this estimated 10,000 cu. yds. for \$15.75 per cu. yd., on site at his pit, as opposed to the imported cost of \$18.06 per cu. yd.

4* Although he has offered to store the product at his pit, free of charge, we learned that a time limit of 3 years of storage has been established. Our crew will be able to pull from this stock pile during this time period.

5* Mr. Harlan advised that an up front cost, to cover the crushing and handling, must be assessed. This was estimated to be on the order of \$110,000. The balance would be payable as the rock is used, based upon the \$15.75 per cu. yd.

6* Set up time will vary, according to the availability of a crusher. At the present time this would be a week to ten days. The run time to crush the product will be on the order of three weeks to one month.

Mr. Harlan was advised that the members present were impressed by his proposal, but that no action could be taken until the special meeting later this month.

We all went home about 4:25 PM.

H. O. V. E. Road Maintenance Corporation

Board of Directors Meeting
St. Jude's Church, Ocean View, HI.
July 22, 1997 Special Meeting
Meeting Minutes

I* Call to Order-

The special meeting of July 22, 1997 was called to order at St. Jude's Church, in Ocean View at 4:00 PM. The board Members present were- Irvine, Haggardt, Harper, Weise, McKinney, Swangel, Self, Clark and Jensen. Jean Redman was the only staff member in attendance this time, but the audience consisted of Ken Arbo, Rex Brumley, Chuck Harlan and his assistant. Also on hand were Bonnie Goodell and County Councilman John Santangelo, who each gave short presentations.

II* Announcements-

A- The President announced that the Tel Hawaii progress for service to our area is not as grim as we've been led to believe by the news media accounts. It seems that they will still be eligible for the rural funds allocated for improving service, but only after a two year waiting period, a period that has been anticipated by Tel Hawaii.

B- It was also announced that the presentation proposed in the County Council Chambers in Hilo on Tuesday the 29th will be held as scheduled. All Board members were urged to attend, because the subject matter will be very pertinent to the future of our road system here in HOVE. The speaker is to be Terry Bray and the meeting is to convene at 9:00 AM.

C- Special speakers- As mentioned, time was given to Bonnie Goodell and John Santangelo for brief messages to our Board.

1- Bonnie Goodell briefly discussed the "Cheap and Skinny" street philosophy and advised that her reading was that the sitting council was very amenable to programs proposed by the subdivisions, those that are maintaining private road systems, to bring these systems to standards and to share the funds collected through user fees and taxes to assist in maintenance of these roads. Whatever, these proposals must be fair and equatable. She encouraged our participation and

suggested that our input could be a model for the county.

2- John Santangelo stated that HOVE is recognized as a moving force by the council and that the council is open to dialogue regarding the dedication of the road system. He feels that conditions are now right to develop rural road standards that will allow dedication while we retain the maintenance. He urged that we participate in making these standards and also asked that we attend the meeting next Tuesday in Hilo.

III* Unfinished Business-

A- Kona Cinder and Soil- Mr. Chuck Harlan was asked to

prepare a written proposal for the furnishing of the base course "on site" as had been proposed earlier. Mr. Harlan agreed to prepare the proposal, as requested.

B- Letter for Coconut re-build- A letter had been prepared and approved, but due to recent events it was brought up again for current discussion, since the letter had not yet been sent. A motion was offered and passed (with one no) to send the letter as written.

IV* New Business-

The preparation of the news letter was discussed. The main purpose of the discussion was to canvass the Board members for participation if they saw areas of need. The preparation will proceed.

V* Executive Session-

The staff and visitors were excused and an executive session was held. Timely and pertinent issues were discussed.

VI* Adjournment-

The meeting was adjourned at 5:31 PM.

H. O. V. E. ROAD MAINTENANCE CORPORATION

Board of Directors Meeting
St. Jude's Church, Ocean View, HI.
August 5, 1997
Meeting Minutes

I* Call to Order-

The August 5, 1997 regular meeting of the Board of Directors was called to order at 4:00 PM. at St. Jude's Church in Ocean View, HI. All Board members were present. They were Clark Swangel, Murrill, McKinney, Self, Wiese, Harper, Haggardt, Irvine and Jensen. Both Jean Redman and Mac Kaupu, of our staff, were present. The audience consisted of James and David Rodrigues and Rex Brumley.

II* Announcements-

There were no announcements made at this meeting.

III* Minutes of the Previous Meetings-

The minutes of both the July 1, 1997 Regular Meeting and the Special Meeting of July 22, 1997 were considered. A correction to the Special Meeting minutes of July 22 was suggested and approved. This change is that "timely and pertinent issues were discussed, but were tabled, to be considered in more detail at the next regular meeting".

With this addition, the minutes of both meetings were approved as corrected.

IV* Treasurer's Report-

The Treasurer reported that the collection of maintenance fees reached the 84% level, \$857,697.59, at meeting time.

It was also reported that the Trust Fund has exceeded the \$1,000,000 mark, due in part to the aggressive investment policy of the fund manager and the current nature of the upward trend of the stock market. This does not reflect the authorized withdrawal of funds for the purchase of new equipment this year, however.

V* Foreman's Report-

Mr. Kaupu submitted the July report which was briefly discussed by the Board and accepted as presented.

VI* Committee Reports-

The current status of the various Capital Improvement obligations was reported.

A- The shop building extension is progressing. We understand that the prefab building is in transit and that plans are almost complete. With plans, we will be ready to apply for the building permit.

B- The paint striper is on the way, to be delivered shortly.

C- The new truck is scheduled for delivery in the third or fourth week of September.

D- A supply of new signs will be stockpiled for future use.

E- The new hammer for the Hoe-Ram is on hand, but the rebuild kit for this unit is yet to be ordered.

F- Concerning the Chip Spreader: this unit has not yet been ordered. There has been a problem in getting a bid for the unit.

G- We were told that HELCO will get power in to serve the shop building by the end of August. (See item under Unfinished Business.)

VII* Unfinished Business-

A- Kona Cinder and Soil- No written submittal had been received from Kona Cinder and Soil by meeting time. This concerns the providing of Base Course, on site, as had been previously discussed. The written submittal was promised at the July 22 Special Meeting.

B- News letter inclusion- One letter from Mr. Ken Arbo had been received for inclusion in our annual news letter. A motion was made, seconded and unanimously approved to include this letter as received.

C- The Terrance Bray presentation before the County Council in Hilo was discussed. Several of the Board Members had attended this presentation.

D- The matter of electrical service to the shop building was brought up. We were told that either underground or overhead power service could be provided for the \$10,000 earmarked for this service, if our crew prepared the trench for the underground alternative. After considerable discussion by both members and the audience, a motion was made, seconded and approved "to provide an overhead line to the Base Yard Shop Building".

VIII* New Business-

A- Frank Harper proposed that the use of a Gant Chart be initiated, to schedule the field crew work on a monthly basis. It was concluded that this would not only serve the crew well, but would also be useful to the Board members. The use of this chart will also dove-tail with the time-card program that has been initiated.

B- The response that we received from the attorney, concerning the initiation of the "Work Permit" program was discussed. Action on this matter was tabled until the next meeting.

C- The initiation of the proposed Engineering Study was introduced. Some thought that we could not proceed without the input of the Road Standards promised by Hawaii County. However, a motion was introduced, seconded and passed "that we proceed with requesting proposals for the Engineering Study, as outlined previously. The request is to be sent to the engineers (included on a listing that has been provided by the County), of those firms that have expertise in the road planning and construction field".

IX* Executive Session-

The staff and audience were excused and the Board entered an executive session. The topics covered were a report on the status of a suit resulting from an accident in the subdivision, the training and development of our staff and the status of our present corporate legal advisor. The Legal Committee was ordered to meet with the attorney for clarification of his most recent advice, concerning the "Work Permits". The only motion that was made, seconded and passed during this session was "to determine the estimated cost of getting computer training for the Administrative Assistant to better utilize the programs available on the existing software".

X* Adjournment-

A motion to adjourn was seconded and passed at 6:17 PM.

H. O. V. E. ROAD MAINTENANCE CORPORATION

Board of Directors Meeting
St. Jude's Church, Ocean View, HI.
September 2, 1997
Meeting Minutes

I* Call to Order-

Our September 1997 Board Meeting was called to order at 4:00 PM in St. Jude's Church in Ocean View. The Board members present were McKinney, Self, Harper, Haggardt, Irvine, Jensen, Wiese, Swangel and Murrill. Jean Redman, of our staff was also present. There was no audience.

II* Announcements-

A* The appointment of Rex Brumley to fill the seat vacated by the resignation of Jim Shilzony was proposed, with a motion made, seconded and passed "to ask Rex to be present at our next meeting, to assume the duties of Board member". This appointment is rooted in the fact that four people were running for the four Board positions, so it is safe to assume that he will be elected for the coming term.

B* The president made mention of the recent death of Irene Hughes, a past Board member. Her contribution to the body was noted.

C* Combining the October Board meeting with the Annual meeting was discussed with the consensus that only one meeting is necessary. The combined meeting will be held on Saturday October 11, 1997 at 10:00 AM, in the Ocean View Community Center.

D* Declaration of intention to seek office was brought up for discussion. Some members thought it wise to have some time before the Annual meeting to consider the candidates. The declarations made were-

President	Self and Haggardt
Vice President	McKinney
Treasurer	Harper and Wiese
Secretary	Guess what? No candidates

III* Minutes of the Previous Meeting-

The minutes of the August 1997 meeting were approved as presented.

IV* Treasurer's Report-

Mr. Harper reported that \$877,589 have been collected to date. This does not accurately reflect the collection of current billing however, for this does include some past due funds.

V* Foreman's Report-

Jean Redman presented the Foreman's Report to the Board. This was accepted as read without discussion.

VI* Committee Reports-

A* Capital improvements status report-

The Foreman's Report indicated that the shop building

addition had been received and off-loaded at the shop. Self reported that the plans for the building were complete and that bids for the concrete work were being sought. The Board agreed that a bid for this aspect of the work was in order and will be considered when received. It was initially considered that the crew would perform this part of the construction also.

B* Postage Metering Equipment-

Jean Redman advised that the currently leased Postage Metering Equipment was nearing the end of the contract. Discussion of this matter revealed that continuing the leasing practice was in order, however, new equipment should be acquired. Therefore, a motion was made, seconded and passed "to lease new Postage Metering Equipment for a time period of sixty six (66) months".

C* Plan Presentation-

A plan for road maintenance and reconstruction was presented by the Planning Committee for the coming year (1998). This also included estimates of work for the following three years. The presentation was made to give the Board members time to adequately consider the work proposed, for it is planned to vote on its adoption at the next meeting.

D* Feasibility Study for Outside Work-

The Outside Work Committee presented a multi-phased plan for performing work over and above the regular maintenance and reconstruction of roads within the subdivision. A motion was made, seconded and adopted "to accept the Phase I (Preparation Phase) recommendation of the plan as presented". This phase generally sets the groundwork for entering into this new area of working for others. The adoption of this proposal establishes a time line for licensing and developing a pricing structure.

E* Scheduling/Organizational Chart-

Considerable discussion followed a proposal to purchase a Microsoft Project Program, which would be used to institute a new scheduling procedure (Gantt Charting). It was concluded that the recently adopted "time sheet program" should be given more attention before it is scrapped in favor of something new. The upshot of all this was "instruction to the Office Manager to close the office early to allow her to collect the time sheets from each employee. She is to make sure the sheets are properly completed so that tracking and scheduling can be used in a serious manner".

VII* Unfinished Business-

It was determined that since there was no quorum for the June meeting, the minutes of the May Meeting had not been approved. A motion was seconded and passed "that approved the May 1997 Meeting Minutes as presented".

VIII* New Business-

The Board spent a few minutes discussing the advisability of purchasing a lot that fronts on Aloha Blvd., and abuts the Base Yard property, as an alternative routing to providing power off Lehua, which is the present budgeted plan. It was thought that this could reduce the cost of the power service by going across

this property and simultaneously offset a portion of the cost of the property. The discussion revealed that even though an additional lot could be acquired at a reduced price, with part of the funds budgeted for pulling the power in, it would be best to pursue the power service off Lehua, as planned, for physical as well as economic reasons.

IX* Adjournment-

The September 1997 meeting was adjourned at 5:38 PM.

H. O. V. E. ROAD MAINTENANCE CORPORATION

General Membership Meeting
H.O.V.E. Community Center
Ocean View, HI.
Saturday October 11, 1997
Meeting Minutes

I. Call to Order-

The General Membership Meeting of the H.O.V.E. Road Maintenance Corporation was called to order at 10:00 AM. All Board members were present and in addition the staff was represented by Jean Redman and Mac Kaupu. A rather sparse audience turn out of 25 to 30 people were also in attendance.

II. Announcements-

* The minutes of the 1996 General Meeting were read and since there were no comments or corrections were accepted as presented. The audience was advised that current Corporation financial statements were available for distribution.

* It was also announced that a presentation of the Kau Kids will be made tonight.

* A letter complaining about the presentation of the recent Corporation News Letter was read. The complaint voiced concern for the levity used to get attention to the contents.

III. Election results-

The results of the 1997 ballot were read. We learned that 7300 news letters, with ballots, were sent out and only 1640 were tallied. These tabulated results were as follows-

* Election of Board Members. There were four positions and four candidates. Rex Brumley was seated as a new member, with Harper, McKinney and Wiese being returned for another term.

* The 1998 Budget and Paving Plan. Passed 1414 to 173.

* A change in By-Law (3.6). Precludes Board Members from being employed by the Corporation for one year after their term expires. Passed 1540 to 66.

* A change in By-Law (9.4). Will eliminate the cash basis, but retain the accrual method of accounting, as required by the State of Hawaii. Passed 1463 to 123.

IV. Presentation-

Mr. Rick Merschdorf of Smith Barney made a presentation concerning the status of the investments that constitute the Trust Fund. He oversees these investments that are concentrated in three separate ares, as follows. The values are current as of Sept. 30, 1997.

1. Stocks- (A growth investment fund)- \$626,679, that show an increase in value of about 31% since Jan. 1, 1997.

2. International Stocks- \$163,402. This has increased in value by about 20.8% since Jan. 1, 1997.

3. Fixed Income- (Essentially U. S. Treasury Bonds)- \$216,162, that has increased in value about 9% since Jan. 1,

1997.

We were told that the net worth of \$1,006,243, reflects the value of the fund, as of Sept. 30, 1997 and the withdrawal of 5% of the fund for the express purpose of equipment purchase.

V. Open Discussion by the Membership-

Several members expressed concern as follows-

1- Mr Jim Steenburg, Chief of our local volunteer fire dept. asked that the Board consider a change in the by-laws to include a \$2 per lot fee to help fund the activities of the department. With the construction of the new fire house, this annual fee would support five certified drivers and he thought that this could result in cutting the cost of fire insurance by nearly 50%. This, of course, would incorporate the first response team, also. His suggestion was to appoint a committee to investigate this request. No action was taken at this time.

2- A question from the floor concerning the start of the "outside work" was answered by Dave Irvine, Chairman of the Outside Work Committee. His response seemed to satisfy the members present and helped alleviate the fears that had been generated by rumors circulating the community.

3- Several individuals expressed real concern that not all Board members were current with their annual assessments. As it happens, all are presently current, but it was to be understood that these members felt that all Board members must be current in order to have status on the Board.

VI. Adjournment-

The meeting was adjourned at 10:50 AM.

H. O. V. E. ROAD MAINTENANCE CORPORATION

Board of Directors Meeting
H.O.V.E. Community Center
Ocean View, HI.
Saturday October 11, 1997
Meeting Minutes

I. Call to Order-

The October general Board Meeting was called to order at 11:00 AM. This immediately followed the General Membership Meeting. All Board Members were present, as were Jean Redman and Mac Kaupu of the staff. We had an audience this time of about 20 individuals. (Much better than usual.)

II. Announcements-

No announcements.

III. Election of Officers-

Board officers were elected for the coming year and the gavel was passed. The new slate is as follows-

President	Bob Self
Vice President	Steve McKinney
Treasurer	Jim Wiese
Secretary	Joe Jensen

The new president advised that he wanted to set up a new committee to be known as "The Government Affairs Committee", with Tito Haggardt as its first chairman. This was in recognition of all the work that Tito had done this past year in this vein in hopes that the momentum would be continued.

IV. Minutes of the Previous Meeting-

The minutes of the September 2, 1997 meeting were accepted as presented.

V. Treasurer's Report-

It was reported that \$895,105 (or 88%) of the 1997 billings had been banked so far. This was also indicated to be about 96% of the budget requirement for the year, so the income side of the ledger is looking good.

VI. Foreman's Report-

Mac Kaupu presented his report that included the Gantt Chart scheduling for the crew. This report was accepted as presented.

Be it duly noted that we have accepted delivery of the new Peterbilt Truck, and it was on display during the meeting. It wasn't even dirty or dinged yet.

VII. Committee Reports-

1* The "Summary of Board Activities for 1997" was briefly discussed and accepted.

2* The Capitol Improvements Committee gave a summary of the status of the following items-

A. The new Peterbilt Truck has cost a total of \$105,913.40, of which \$42,934.78 of this cost was derived from the annual 5% draw from the Trust Fund.

B. The Paint Striper is on hand at a final cost of \$10,657.12.

C. The Shop Addition is progressing, and two bids for the concrete work and erection of the building were considered. (See motion to follow.) Initially the crew was to perform this work, but at the last meeting it was agreed that bids would be considered.

D. Electrical Service to the Base Yard was brought up again because of an increase in estimated cost. (See motion to follow.) This cost to supply power from Lehua is now estimated at \$15,000.00.

E. Hoe Ram. A new bit and hydraulic re-build kit are on hand. The funds set aside, \$5,000, are adequate to purchase another new bit.

F. Signs. There has been \$30,000 earmarked for the purchase of signs. It was estimated that this will be adequate for the present needs.

G. Chip Spreader. This piece of equipment has not yet been ordered, but it has been determined that the \$16,000 set aside might be woefully underestimated. (See motion to follow.)

H. Engineering Study. \$30,000 is to be set aside for this proposed study. (See motion to follow.)

I. Office Building. The construction of an office building at the Base Yard was discussed, and \$75,000 was to be earmarked for this purpose. (See motion to follow.)

3. The three year Plan that was deferred until this meeting was discussed and accepted. (See motion to follow.)

4. An Organizational Chart was presented for the members review. Discussion and acceptance followed. (See motion to follow.) The chart was prepared to give pictorial life to the dictates of the by-laws.

Since a number of motions were considered during the presentation of the committee reports, they have been grouped here for ease of identification.

A- Shop Addition- It was moved, seconded and passed that "the bid from McAdam Construction for \$14,572.00, for placing the concrete slab and building erection, including electrical, complete, be accepted. This is also to include the necessary excavation and placement of the required fill material.

B- Power Line- It was moved, seconded and approved, "that the cost, to be set aside, for the installation of the power line to the Base Yard, be increased to \$15,000".

C- Chip Spreader- It was moved, seconded and approved "that the set aside to cover the cost of the proposed new chip spreader be increased from \$16,000 to \$40,000, but it was also directed that the needs as well as the availability of the equipment be thoroughly investigated before the equipment is purchased".

D- Engineering Study- It was moved, seconded and passed, "to allocate \$30,000 for the purpose of performing the proposed

engineering study". An amendment was discussed, but not approved.

E- New Office Building- "A motion to set aside \$75,000 for a turn key office building to be located at the Base Yard" was seconded and approved. "This motion included the establishment of a new committee to oversee the project".

F- Three Year Plan- A motion was made, seconded and carried, "to approve the Three Year Plan, as presented during the Sept. 2, 1997 meeting".

G- Organizational Chart- "A motion to accept the Organization Chart, as presented, was amended to correct the spelling of the word Committee, and to change the title shown as Administrative Assistant to Office Manager". The motion was passed as amended.

VIII. Unfinished Business-

No items were considered under Unfinished Business.

IX. New Business-

1- A motion "to survey Coconut before the re-build project is started", was amended "to look for corners first, then establish the right of way as needed, which would include the use of professional surveys". This amended motion was passed.

2- The Board was advised that recent excavation to improve sight distance at Orchid and Palm had left a rather large tree at risk. A motion "to get the tree removed" was amended "to ask for other bids, and go with the lowest at the earliest possible time". This amended motion was passed.

3- A motion to purchase a Transit to assist the crew in locating right of way, failed.

X. Executive Session-

The proposed Executive Session, as per agenda, was not held.

XI. Adjourn-

The meeting was adjourned at 12:40 PM.

H. O. V. E. ROAD MAINTENANCE CORPORATION

Board of Directors Meeting
St. Jude's Episcopal Church
Ocean View, HI.

Tuesday November 4, 1997
Meeting Minutes

I. Call To Order

The November Board Meeting was called to order at 4:00 PM. The members present were McKinney, Harper, Brumley, Irvine, Self, Jensen, Wiese and Swangel, with Clark arriving late from class. Tito Haggardt was attending a meeting in Hilo that concerned the formation of financial districts. Jean Redman, office manager, represented our staff while the audience consisted of Capt. Kowauchi, Kelly Rowsell, Ken Arbo and Merl Martin. It was a rather boisterous meeting with considerable audience participation. (Exercise of editorial license.)

II. Announcements

A- It was proclaimed that all Board Members were current with their assessments so that there was no question of eligibility.

B-Captain Kowauchi, of the Police Dept. was present to discuss the school bus stops in the subdivision. He reported that four buses make about 5 or 6 stops here in Ocean View and he has some concern for the safety of the children at these locations. Pres. Self assigned the review of the matter to the Safety Committee for evaluation and report back. Several options to the present situation were mentioned and discussed.

III. Minutes of the Previous Meeting

After brief discussion, the minutes of the October 11, 1997 Board meeting were approved as presented.

IV. Treasurer's Report

Jim Wiese reported that collection of the 1997 billings (to Oct.31) are at 88%. This totals \$903,733.

V. Foreman's Report

Frank Harper introduced the Gantt Charts that he had prepared for the work just completed during October, and for the work proposed for the crew during the coming month. He advised that he will update these charts for the Board on a monthly basis.

VI. Committee Appointments

The President announced his committee appointments, as follows-

News Letter	Jean Redman
	Dave Irvine is to assist.
By Laws	Rex Brumley
Road Work	Jim Wiese

Safety	Thad Clark
Budget & Finance	Frank Harper
Legal	Joe Jensen
Planning & Capitol Improvement	Steve McKinney
Outside Work	Dave Irvine
Government affairs and Commerce	Tito Haggardt

There was a long discussion regarding the idea of the Road Corp. making funds available to the Fire Dept. This subject was re-introduced at our October general meeting, when Chief Steenburg made an appeal to the Board for our assistance in staffing the new station. Rather than forming a special committee, this issue was placed with the "Legal Committee" for review. It is obvious that innovative ideas are required.

VII. Unfinished Business

A- Time Management Study- See motion #1 at the end of these minutes.

B- Kona Cinder and Soil Proposal- As requested earlier, a written proposal for providing crushed base rock was presented to the Board. In short, it is proposed to deliver 10,000 cu. yds.+/_ of 1" base rock at a stock pile in the Kona Cinder and Soil Quarry. The price was stated to be \$15.71 per cu. yd., and it will meet ASTM specifications for this material. The discussion revealed that there were concerns on the part of Board Members for items such as rock size, storage location, meeting the specifications, etc. However the general consensus was that the proposal was worth pursuing. See motion #2 at the end of these minutes. The "Legal Committee" was then charged with preparing a contract through our Attorney.

VIII. New Business

A- It was announced that all 156 miles of roadway paving had been completed by the end of October. Hawaiian Ocean View Estates now has a hard surface road to all lots. We will now enter a maintenance phase of work. In order to show gratitude to the crew, it was decided to extend a bonus to the six full time crew members. See motion #3 at the end of these minutes.

B- An audience member, Mr. Merl Martin, asked to be heard. He again asked that the Board re-think the initiation of the "Outside Work Proposal". His primary thesis is that this was presented to the electorate with only "pro" comments and that he feels that this will subject the Corporation to undue liability with the possible neglect of adequate maintenance within the subdivision. He was reminded again that this was the second time that this proposal had been put before the electorate and that it was again overwhelmingly approved, this time by an 18 to 1 vote. He was assured that there was no collusion intended and that although the news letter did provide only pro comments that he, and all voting members, in general, were advised of their right, and could have entered a negative article reflecting other views.

There was no closure to this statement. It is being reported here for the record only.

IX. Adjournment

The meeting was abruptly adjourned at 5:26 PM.

Motions passed during the Nov. 4, 1997 Board Meeting.

Motion #1. The motion was proposed, seconded and carried "to extend the existing Time Management Study for six months from this date".

Motion #2. The motion was proposed, seconded and carried "to accept the Kona Cinder and Soil proposal (written proposal was circulated) and to purchase the approximately 10,000 cubic yards of 1" material as stated, but with our right of refusal if the material does not meet the ASTM Standards. The price was set at \$15.71 per cubic yard".

Motion #3. The motion was made, "that in order to show appreciation for the work done, that \$140.00 be made available to send all six road crew members to Brunch in a hotel of their choice". The motion was seconded and passed.

H. O. V. E. ROAD MAINTENANCE CORPORATION

Board of Directors Meeting
St. Jude's Episcopal Church
Ocean View, HI
Tuesday December 2, 1997
Meeting Minutes

I- Call to Order

The December Board Meeting was called to order at 4:00 PM. The Board members present were McKinney, Harper, Irvine, Self, Haggardt, Jensen, Brumley, Wiese, Swangel, with Clark arriving late. Jean Redman was the only staff member present, while the audience consisted of Ken Arbo, Peter Lubke and Don Gillis.

II- Announcements

A* This section of the agenda was started by allowing Peter Lubke to address the Board with his thoughts, as an interested citizen.

Mr. Lubke expressed great concern for the way our citizenry uses our roads, citing the excessive speeds that people travel on Aloha Blvd. (where he resides) and the failure to observe the signage provided. In essence, he appealed to the Board to pay more attention to the use of signage to warn of loose gravel where new paving has been placed and to warn of limited sight distances at cross streets and where topography precludes adequate vision ahead. He was especially concerned with the liability of the Corporation where adequate warning had not been provided during construction. He also suggested the re-evaluation of the four-way stop intersections. He felt that these intersections are more abused than where only cross traffic is stopped.

Mr. Lubke was thanked for his input and advised that our crew will be more diligent in the use of signage where work is in progress and that our proposed engineering study will be addressing most of the issues, that concerned him.

B* A letter of resignation, dated November 22, 1997, from Courtney Murrill, was read to the members. A motion to accept this resignation was carried. See motion #4, at the end of these minutes.

C* The matter of Board membership eligibility required considerable discussion. It seems that only one Board member has presented an agreement for incremental payments, and it was concluded that all agreements must be accepted by the Board. It was also concluded that the agreement submitted was not acceptable, since it required a lengthy term, at no interest, for repayment. The debate resulted in a motion to seat Thad Clark as a temporary Board member. See motion #5 at the end of these minutes.

D* A "Summary of Comments Taken From the 1997 Ballots", prepared by Gloria Jensen, was reviewed and discussed. We thank

Gloria for the effort in preparing this summary for us. It was concluded that all of these comments require recognition, a good portion of which could be answered through a blanket statement, that could be included with the next annual billing. Gloria has volunteered to assist Ms. Redman in preparing this response.

E* A motion was proposed to include, in the minutes, a summary of Board member voting. This motion was carried and is being done to record member accountability. See motion #6 at the end of these minutes.

III- Minutes of the previous meeting

The minutes of the November 4, 1997 Board meeting were approved, as presented.

IV- Treasurer's Report

Jim Wiese reported that collections of the 1997 billing are currently at the 90% level, being \$920,600. This does, however, include back assessments that have been received

V- Foreman's Report

Frank Harper led the members through a review of the Gantt charts that he had prepared of the work accomplished during November (compiled from the time sheets) and of the work proposed for the month of December.

VI- Committee Reports

A* The Legal Committee reviewed the recommendation they had made for a proposal to change the Charter/By-Laws, to incorporate, simultaneously with our regular billing of annual maintenance fees, a small fee for funding the local Volunteer Fire Dept. The Board agreed with the intent and directed the Committee to seek the advise of council concerning the legality of the proposal and then have the By-Laws Committee pursue the change, assuming its legality.

There was general agreement that a mailing, prepared by the Volunteer Fire Dept., asking for voluntary donations to the Dept., could be incorporated in our next billing, since there would be no cost to the Corporation.

B* Tito Haggardt, Chairman of the Governmental Affairs and Commerce Committee, reported on the meeting he attended in Hilo, on bringing representative government and related activities to Ocean View, along with a source of funding. The Board expressed interest in meeting with the County Government to pursue this issue.

C* Steve McKinney, Chairman of the Planning and Capitol Improvements Committee, circulated a brief synopsis of the long range plan, and how achieving a reduction of maintenance fees fits in. (See "Excerpts From H.O.V.E. Road Maintenance Corp. 1998 Plan", that were circulated.) It was requested that the Board members review this information thoroughly and that any other ideas be communicated to Steve. We assume that ideas from the

share holders will also be welcomed and evaluated.

VII- Unfinished Business

A* A bid had been received for a new state of the art (according to H.O.V.E. needs) Chip Spreader. A motion was carried to accept this bid. See motion #7 at the end of these minutes.

B* The proposed contract, prepared for purchasing the crushed rock from Kona Cinder and Soil, was reviewed. Brief debate revealed that the contract was acceptable to the Board with one change in wording. The last sentence in paragraph four (4) is to be changed to read: "The data will be submitted to the Road Maintenance Corporation for verification and acceptance, prior to payment". (Note- underlined is the added change.)

C* It was moved to amend motion #3 (November 1997) to provide for entertaining crew spouses at dinner also. This concerns the 'appreciation for a good job in finishing the paving schedule'. See motion #8 at the end of these minutes.

D* Although there was no motion, the matter of making the monthly Board Meeting Minutes available to the public, at cost, was considered. The members seemed to agree that it was a viable idea and so directed Ms. Redman to determine what a reasonable cost might be, for preparing and mailing this information.

VIII- New Business

A* The Legal Committees memo concerning the difficulty of obtaining definitive answers on the request for help on our "Owners Notice of Work" and "Work Permit" forms was discussed. We have been waiting for five months for this help, without result. The recommendation of the committee was to begin an immediate search for a different attorney, so that we may "get on" with this program. The committee was directed to prepare a listing of candidates for interview. The one criteria mentioned was that the candidate must be versed with our particular needs and requirements.

B* Ken Arbo had presented a letter to the Board President, as authorized by the Legal Committee, concerning the need for establishing survey monuments within the subdivision. This problem surfaced during one of the committee meetings and Mr. Arbo took it upon himself to contact the original surveyor of the subdivision. He expressed surprise at what he learned.

Since it was assumed that this would be a prohibitively expensive project, there was no action taken to pursue the question with Mr. Murry, as Mr. Arbo had suggested, but rather to accomplish the right-of-way location piecemeal, as is being done on Coconut at present.

C* Steve McKinney proposed changes in the Corporation Standard Operating Procedure (SOP). These changes consisted of revising procedure #5 and adding procedures #9 and #10. (See the

distributed proposal, that was included in the mailing.) A motion was carried to accept the changes as presented. See motion #9 at the end of these minutes.

D* A motion was passed to enter into an Executive Session. See motion #10 at the end of these minutes.

IX- Executive Session

A very lively discussion resulted in a motion concerning the bonuses and clothing allowances for the crew. See motion #11 at the end of these minutes. Note- There will be no score of accountability.

X- Adjournment

This very gruelling session was ended with adjournment at 6:34 PM.

MOTIONS PASSED DURING THE DEC.2,1997 BOARD MEETING

#4 A motion to accept the Nov. 22,1997 resignation of Courtney Murrill from the H.O.V.E. Road Maintenance Corp. Board of Directors, was seconded and carried.

#5 A motion to seat Thad Clark, as a temporary Board member, until an acceptable (to the Board) proposal, for incremental payment of back fees, is submitted, was amended to give a two month time limit to this eligibility. Both the amendment and the original motion were carried.

#6 A motion to poll the vote and make it a matter of record in the minutes was proposed, seconded and passed. See the compilation of results, below.

#7 A motion was made, seconded and passed to accept the bid of \$5285.71 for the Chip Spreader and \$2222.45 for the accessory equipment, for a total of \$7508.16.

#8 A motion was proposed, seconded and passed to increase the \$140 appropriated last meeting, to \$250, so that the crew members may include wives and husbands at the "appreciation" buffet at a hotel of their choice.

#9 A motion to approve the changes in the Standard Operating Procedure #5 and to add two new procedures, #9 and #10, as presented in the handout, was seconded and carried.

#10 A motion to enter into an Executive Session, was seconded and passed.

#11 A motion was seconded and carried, to again extend the \$300 bonus to each crew member, along with a \$200, each, clothing allowance. The clothing allowance is to be paid only upon presentation of a receipt of purchase.

SCORECARD OF BOARD MEMBER ACCOUNTABILITY.

Motion	Self	Brum	Clar	Hagg	Harp	Irv	Jen	McK	Swan	Wies	Open
#6		Y	N	N	Ab	Y	Ab	Y	Y	Y	-
#7		Y	Y	Y	Y	Y	Y	Y	Y	Y	-
#8		Ab	Y	Ab	Y	Y	Y	Y	Y	Y	-
#9		Ab	Ab	Ab	Ab	Y	Y	Y	Y	Y	-
#10		Y	Y	Y	Y	Y	Y	Y	Y	Y	-
#11	No score kept in Executive Session.										