

H.O.V.E. ROAD MAINTENANCE CORPORATION NEWSLETTER -FALL 2000

PRESIDENT'S MESSAGE

by Steve McKinney

Well, this year has not been one of our better years. While the roadwork continues as planned and has resulted in some very noticeable improvements to our road system, a lawsuit filed against the Corporation was devastating. This lawsuit was filed by a HOVE resident who (reportedly drunk and speeding, although this was never proven) drove off the end of one of our roads, injuring himself and wrecking his vehicle. An inordinate amount of time was spent (wasted in my opinion) by myself, our Executive Director, the road crew, and several members of the community gathering information, copying records, and giving depositions to satisfy the legal system here in Hawaii. Our response to the lawsuit was controlled by our liability insurance company, who settled out of court, and then cancelled our insurance. Oh the joy of doing business in Hawaii.

For the last few years, we have been emphasizing safety for our roads. We are widening the shoulders, increasing sight distance at the intersections, striping and adding numerous warning and regulatory traffic signs along our roads. We will continue to place high priority on any safety-related work. We have just begun a periodic inspection program by our Consultant and Director of Operations to assure we are kept informed of the status of our road system. As in the past, we ask the help of all who drive our roads in notifying us immediately of any problems (signs down, abandoned vehicles, visibility problems, potholes, etc.) on our roads. In addition, we ask that you notify us if you become aware of any traffic accident along our roads. Because of the large area and large number of miles of road, and because many of these accidents are not reported to the police, we are not aware of all of the traffic accidents which occur. We will be analyzing the accident data to determine if there are dangerous intersections or stretches of road that need corrective work.

As I mentioned in the last Newsletter, a major project which we wanted to start this year is a rebuild of the intersection of Aloha Boulevard

and State Highway 11. This has been delayed, a lot longer than I expected, due primarily to surveying, various approvals, and government paperwork. Many of you may not realize that Ray Heimbürger, a longtime resident of HOVE, many years ago donated property from the edge of his lot to the Corporation to develop that last straight section of Aloha which connects to the highway. Now, he and his two children (Hans and Carol) have selflessly agreed to donate even more of their property to the Corporation to allow us to straighten out the sharp curve at the end of that straight section. The work that the State does at the intersection and that we do at the end of Aloha will improve visibility, eliminate water ponding, and in general increase the safety of that section of road, which is one of the primary entrances to HOVE. We on the Board of Directors thank the Heimbürgers for their generosity and hope that any of you who meet them will do likewise.

And of course, we must not forget to thank our road crew, who continue to do excellent work improving our roads. Again, for those of you who live here or have recently visited, the improved pavement, wider shoulders, striping, and increased signage are most noticeable. In regards to the wider shoulders, we have had some comments from residents who do not want the four-foot shoulders because of the appearance (i.e., removing the "country lane" effect) and because they may increase speeding. If any of you have any comments, either pro or con, please write them in on your ballot.

Even in these times of rising costs, we have managed to hold our assessments constant at \$95 for four years, and as you can see from the enclosed budget for 2001, we are planning on a fifth year. Our road trust fund has continued to do well despite the stock market swings, allowing us to give a \$17 credit this year for those who paid their account balance by March 31. In January, the Board will decide on a rebate for 2001: the amount of the rebate, if any, will depend largely upon the status of the trust fund and the impact of our increased liability insurance premium. And don't forget, we will continue to charge 10% interest on all unpaid balances as of December 31. So please help us

and yourselves by paying your assessments on time.

HELP!! WE NEED BOARD MEMBERS

by Steve McKinney

The By-Laws of this Corporation state that the Board of Directors shall consist "of not less than three(3) or more than eleven (11) members". By year's end we will have only six members and we need more to provide a better representation from the community. The only requirement is that "all members of the Board of Directors must be members of the Corporation in good standing and current with their dues and assessments". Directors serve three year terms, and during that time are expected to attend monthly Board Meetings (4:00 P.M. on the first Tuesday of each month at the Road Maintenance Office). However, if a Director has a trip planned, or a conflict with some other business, he may be excused from the meeting. During these meetings, the basic guidelines and regulations which direct the Corporation are formulated, discussed, and voted on. No knowledge of roads is required, but a knowledge of planning, organization, or general management is helpful. Certainly the desire to improve the Corporation and the Community is a necessity. So if you think you can help toward better roads with lower assessments, drop by the office or attend a Board meeting, which are always open to the public. We'd love to help you become a Board member.

ROAD RIGHTS-OF-WAY

by Steve McKinney

Once again, another reminder on the subject of HOVE roads rights-of-way and how they could impact you if you build or plant within the right-of-way. First some facts:

- 1) HOVE boulevards have 60-foot wide rights-of-way.
- 2) Other HOVE roads have 40 - foot wide rights-of-way.
- 3) The current pavement widths are approximately 20 feet.
- 4) The pavement is not necessarily centered in the right-of-way.

These last two facts can cause problems for HOVE lot owners who are not aware of where their front property line is, and assume their property continues until the pavement. It does

not! These problems are becoming more apparent now that we are widening our roads and adding shoulders.

If you have built a stone wall or planted trees or shrubs near the pavement, you may find that these "improvements" are 30 feet inside the road right-of-way, and are about to be demolished as the road grader widens your road. Another problem is driveways. Many people slope their driveways directly to the edge of the pavement, just following the natural slope of the land. When the road is widened, their driveway may end either above or below the new shoulder, and may be impassable without further work on their part. This can be even more serious if they have poured concrete to the edge of the pavement, and their concrete is now torn up.

On the advice of our attorney, the Road Maintenance Corporation is now taking action against people who encroach into the road right-of-way. When we notice this happening, we verbally discuss the matter with the property owner. If this doesn't solve the problem, we will send the property owner a registered letter informing them of their violation and giving them a deadline to remove the encroachments. If this doesn't bring action, legal process through the court system will be started.

So, what can you do? The first thing is to find the front property pins on your lot; this will give an exact definition of your property line. The second thing is to call the Road Maintenance Office and arrange to get a no-fee "Owner's Notice of Work" before beginning any work near the road. This approach allows the foreman of our road crew to inspect the area along the front of your property, and to give you (or your contractor) advice as to where to situate and how to slope your driveway, ditch, wall, etc. This cooperative effort will assure your work will not need to be changed or removed when the road is widened in the future. There is NO CHARGE for this service. Please take advantage of our road crew's smarts and get their advice, and help yourself in the process.

WHY BE AN OCEAN VIEW COMMUNITY ASSOCIATION MEMBER?

by Marilyn Wallace

Ocean View Community Association needs you. Every member counts. Here's a list of reasons:
1. OVCA has the lot owner's interest in mind. 2.

OVCA is constantly attempting to improve the appearance of the subdivisions. We want no junk yards. We want no trash dumped in our subdivision. 3. OVCA members can use all the facilities at a minimal charge - library, computer lab, pool tables, shuffleboard court, kitchen, green meeting room, large meeting hall and stage. 4. OVCA members receive a newsletter informing members of activities and important events of interest to the community. 5. OVCA helps our community solve problems by working with all Ocean View organizations. 6. The OVCA building is used as a meeting place for all members of the greater Ocean View community. 7. OVCA is working on getting a certified kitchen for members to use for their culinary businesses. We now have potable water. 8. OVCA is a member-oriented organization.

Our operating expenses come from members' dues. Without members the community center cannot exist. We need your help and assistance to keep going as a viable, strong organization. We will always need a community center and a community association to represent the property owners and to serve the needs of the entire range of citizens from infants to seniors.

BOARD OF DIRECTORS

As you read earlier in this newsletter, the annual election of board members takes place with the enclosed ballot. This year there are only 3 candidates running for 4 spots, which means that all three will become board members. Two of the 3 are repeat members with one, John Villevik, running for the first time. Mr. Villevik has been on the board for the past few months filling one of the empty positions. The following are brief synopses of each of the gentlemen wishing to serve the community.

STEVE MCKINNEY

I was born in Honolulu, raised on Oahu and Hawaii, and graduated from the University of Hawaii. Because of job opportunities, I spent the next 35 years on the mainland in engineering and engineering management positions. My family has maintained a presence in HOVE since 1965, and I retired here in 1994 to build my home.

I first ran for the Board of Directors in 1994, and have now completed two three-year terms. I have held the positions of Planning Committee Chairman, Vice President, and for the last two

years, President. My goals are to keep our assessments as low as possible, consistent with maintaining our roads at the current standard, widening shoulders to increase visibility, parking, and safety, and eliminate other safety problems that may exist, particularly at intersections.

FRANK HARPER

Frank is a 10 year resident of HOVE, retired Naval Officer (27 years) and a retired Associate Professor of Electricity (13 years). Frank has served as Treasurer of the Road Maintenance Corp. for 2 terms, 6 years, and even though costs have continued to increase, has been able to keep within a workable budget.

JOHN VILLESVIK

John has been a property owner for the past 15 years and has been a resident of Ocean View for 2 years. Since coming to HOVE, he has been involved with various community organizations, such as OVCA, Chamber of Commerce, OVCDC, Neighborhood Watch and has filled a vacant Board of Director's position since January. Prior to retiring to OV, John owned Big Island Marine in Kailua-Kona for 20 years. John brings his business experience to the HOVERMC.

ANNUAL MEETING

H.O.V.E.R.M.C.

Saturday

October 14, 2000

10:00 A.M.

OVCA-Leilani Circle

CURRENT INVESTMENT STRATEGY FOR THE HOVERMC TRUST

by Rick Merschorf

The investment structure for the trust is set up to conform with the policies established in the Investment Goals and Guidelines that were developed by the Board of Directors. The asset allocation for the trust assets is currently divided with fifteen percent invested in fixed income, primarily money market instruments and government bonds, and eighty-five percent invested in equities, most of which are common stocks. Of this eighty-five percent, sixty-five

percent is invested with the investment management firm of Provident Investment, for long term growth in U.S. companies. The remaining twenty percent is invested in international companies, managed by Lazard Freres International, and Ivory Simes Management, balancing their expertise in both the European markets and Asia.

Our overall strategy is to emphasize the strong sectors of the market, as the portfolio is currently weighted heavily in U.S. technology stocks, and to balance out the market cycles by diversifying worldwide. Finally, we want to provide a flow of predictable income, and the bond portfolio provides for this need.

With continued prudent management, this trust will provide the needed funds to maintain a quality standard road system for H.O.V.E.

ed. note: (Rick Merschorf is 2nd VP for Salomon Smith Barney in Kailua-Kona)

2001 ROAD MAINTENANCE PLAN

by Cecil Hiett

During the year 2001 we plan to continue rebuilding those roads which were built over existing cinder-based roads in the early 1990's, to widen and chip seal those roads which are beginning to show wear but have an acceptable rock base, and to fog seal roads that are in fairly good condition to prolong their life. Work to improve road safety, such as widening/clearing intersections and painting center stripes and stop bars, will also continue. While most of this work will be done on the more heavily used roads in the lower third of the subdivision, one block of rebuilding and about thirty blocks of fog sealing will be done in the upper area. We plan to complete the following work:

- 11 blocks to be rebuilt
- 15 blocks to be widened and chip sealed
- 60 blocks to be fog sealed
- 9 intersections to be cut back, shaped and chip sealed
- 86 blocks to be painted
- 21 days assigned to patching holes
- 24 days assigned to sign installation

GETTING IN TOUCH WITH HOVERMC

We are located in the Ocean View Town Center, P.O. Box 6227, Ocean View, HI 96737, and have office hours from 7:30 AM to 4:30 PM Monday through Thursday. Our telephone number is (808) 929-9910 and our e-mail address is

hovroad@hialoha.net. Each month, the minutes of the Board of Directors meetings are posted on our web site to keep you informed of what is going on behind the scenes. That web site is

<http://st4.yahoo.com/kaubusiness/hovroadmainc.html>. We also encourage you to notify the office if you have a change of address. This will help us get information to you in a timely manner.

FRANK'S BUDGET NOTES

by Frank Harper

The proposed budget for 2001 is presented on the next page. Work on this budget started in January 2000 when the previous year's budget was reviewed and closed out. Operating and administrative personnel submitted their requirements for year 2001. The Long Range Road Plan was reviewed to determine work planned as this controlled the major expenses for Chip/Base and Fog/Road Oil. A rough draft of the proposed budget was prepared and submitted to the Road Corporation Board in March for their review and revision. After the Board's review and approval in June 2000 the proposed budget is included as part of the annual Newsletter for approval/disapproval by all lot owners. Here are some notes on the proposed budget.

1. The reduction in Chip & Base and increase of Fog & Road Oil is due to reduction in actual road building and increase in maintenance and road shoulder work.
2. Money has been increased for Tires, Signs and Equipment repair as review of previous years budgets indicate these areas have been under budgeted.
3. The largest expense of this proposed budget is in Payroll and Related Expenses. This item is more than one-third of the budget. The Board held the line and did not allow cost of living increases for 2000 and did not include them for 2001. However, Medical Expenses and Contract Labor has increased over twenty-five percent.

	Actual	Budget	Actual	Budget
Operating	<u>1999</u>	<u>2000</u>	<u>thru 6/30/00</u>	<u>2001</u>
Materials Chip & Base	27,474	149,828	15,076.83	137,000
Materials Fog & Road Oil	127,344	224,742	56,845.71	275,000
Delivery & Auto Removal	0	1,000	0.00	1,000
Fuel, diesel, lube & oil	18,584	25,000	9,457.58	25,000
Water Hauling	619	500	0.00	5,000
Tires	16,351	10,000	9,909.77	25,000
Equipment Repair - Parts & Labor	45,377	25,000	16818.40	45,000
Traffic Signs & Poles	7,502	3,000	16,707.74	7,500
Baseyard Upkeep-Supplies	2,522	1,500	2865.19	1,500
Tools	1,594	2,000	600.75	2,000
Licensing	394	1,000	56.16	1,000
Truck & Equipment Insurance	9,885	7,500	500.00	10,000
Payroll & Related expenses	306,796	330,465	159,279.27	329,200
Contract Labor	11,673	20,000	2,094.85	20,000
Total Operating Expenses	576,115	801,535	290,212.25	884,200
Administrative Expenses				
Taxes, dues, fees, penalties	1,409	1,200	1,230.64	1,400
Insurance - liability	19,697	26,000	1,076.40	28,000
Bank Service Fee	2,425	2,000	2,330.12	2,500
Legal	766	5,000	482.30	5,000
Office Rent	8,173	8,300	4,912.04	8,800
Printing	1,123	2,200	112.25	1,500
Supplies	1,591	2,000	624.94	1,500
Travel	0	500	0.00	500
Postage	9,942	10,000	1,904.75	10,400
Telephone/Fax (baseyard & office)	2,650	2,500	1,340.32	2,500
Electric (baseyard & office)	1,559	2,000	999.05	2,000
Employers Council	500	500	300.00	500
Advertising	60	250	0.00	250
Professional Services/Audit	9,226	10,000	9,394.91	10,000
Computer/Copy Machine	2,111	2,000	992.98	2,000
Miscellaneous Expense	5,291	1,000	330.00	1,000
Other Office Expenses - Lease	0	0	0.00	0
Total administrative Expenses	66,523	75,450	26,030.70	77,850
Depreciation	47,654			
Total Budget	690,292	876,985	316,242.95	962,050
THE ASSESSMENT FOR 2001 WILL BE \$95 / LOT BASED ON THE ABOVE BUDGET.				

H.O.V.E. RMC Newsletter

SEPTEMBER 2002

PRESIDENT'S MESSAGE

By Steve McKinney

Although this was a traumatic year for the nation, the September 11 tragedy had little affect on the Road Maintenance Corporation. One noticeable effect was the general reduction in inflation, particularly in the area of oil prices. For the first time in many years, gas prices at the pump here on the Big Island actually decreased. Our oil prices (and prices of other goods dependent on oil) did not increase as we had predicted last year, and we now find that the increase in assessments to \$101 for 2002 was not completely necessary. Therefore, the Board of Directors has decided to lower the assessment for 2003 to \$90. In addition, we expect a fairly large rebate in 2003 if the budget surplus for 2002 occurs as now predicted. Of course, a future increase in oil prices (and it looks like this has already started) will lead to higher assessments.

As this newsletter is being prepared, we expect to begin contract negotiations for the Road Crew for the next three year period. This will probably result in some increase in labor costs, but we do not expect any large impact.

A project that was started this year and will continue for two years is the surveying of our roads. When the roads were first developed, pins were supposedly placed at each intersection, at the center of each road right-of-way. Over the last forty years, most of the pins have disappeared and it has been difficult for us to determine the exact road right-of-way, particularly when investigating encroachments onto the road by property owners. As noted in previous newsletters and elsewhere in this newsletter, the roads are not necessarily centered in the road right-of-way. We have had to call out a surveyor for each problem. Therefore, we have hired a local surveyor to survey the entire HOVE road system and pin the centerline of each road.

Another project that we have begun is a feasibility study on the installation of guardrails at places where there are steep drop-offs along side the road. Since guardrails are very expensive, we do not feel it appropriate to increase our assessments to cover this project, but instead are investigating the possibilities of getting a Federal or State grant. Even though we are a non-profit corporation, we are ineligible for most grants because we are the wrong kind of non-profit corporation. Oh, don't we just love working with government regulations. Anyway, we are coordinating with the Ocean View Community Development Corporation to see if something can be done.

Our first full year of expanded Executive Director duties has gone quite well. Jean Redman, the Executive Director, has done an excellent job in supervising the day-to-day operation of the entire Corporation. Her Office Assistant, Jeannie Wilkison, has managed the office in great style while Jean has been out on the roads. For those of you who call in, you may get either Jean or Jeannie, and they can both take care of your questions or problems in an efficient manner. Our four-man Road Crew under Mac Kaupu, the Foreman, has completed another year of superior roadwork. The comments that we get about the roads are always positive; everyone is amazed at their improvement in the last few years. Once again, a big "WELL DONE!" to all our employees.

And, as a short afterthought, I will mention that we have completed two projects this year to increase our visibility and communications with our property owners: a logo and a forum. We designed and purchased magnetic logos for installation on the sides of our equipment, so all of you driving through HOVE will be easily able to identify our equipment and crew. Also, on February 23, we had our first Property Owners Forum. It was a big success (see related article) and we plan to continue them in the future.

MEET ME AT THE FORUM

By Steve McKinney

On February 23, we had our first HOVE Property Owners Forum, and it was highly successful. About thirty of our property owners showed up to discuss and present opinions on nine topics that were on the agenda. Surprisingly, most of the people came to the same conclusion for each of the topics, possibly because they all live in this area. The topics and a brief summary of the discussion follow.

1. Should we close some entrances to the highway?

There are twelve entrances to HOVE from the highway, and it had been suggested that we close some (maybe six) to increase safety along the highway and increase security within HOVE. The general opinion was that there was no real advantage to closing any, and if we do close some now, it may be difficult to reopen them when our population and traffic density have increased.

2. Should we raise assessments to pay for guardrails?

Guardrails would be nice, but the delineators and rocks that we are now using are sufficient, particularly if it means raising assessments. The Board should continue to investigate the possibility of getting grant money.

3. Should we sue owners who encroach on road rights-of-way?

Don't sue; it will only take more of our money for the lawyers. Give the owners sufficient warning (at least 60 days, but 6 months would be better) and then rip out anything that is still encroaching.

4. Should we install speed bumps?

No, we don't need them. They might cause accidents and probably wouldn't slow down the speeders anyway.

5. Should we change speed limits?

No changes are needed at this time. We should consider raising the boulevard limits to 35 MPH in the future.

6. Should we change our rebate policy?

The current rebate policy is acceptable. Some owners said it really encouraged them to pay the assessment on time; some said it didn't matter that much to them and we could use the money for roadwork (possibly guardrails).

7. Should we give a stipend to the members of the Board of Directors?

Don't change the by-laws to allow a stipend. If we pay Board members, we may get people who only come for the money, not to help the community. This suggestion was originally made to encourage more volunteers to the Board. If any of you have

other suggestions in this area, please submit them to the RMC office.

8. Should we levy charges for removal of junk cars, trees, etc.?

There was a lot of discussion on this and general approval of the idea. However, it is extremely difficult to identify owners of abandoned vehicles, and therefore in practicality levying charges can't be easily done, and could create extra legal expenses and more problems.

9. What are our civic responsibilities as they relate to the RMC?

This was a twofold question. First our (property owners) responsibility towards the RMC is to support it (volunteer for the Board, pay assessments on time, report problems on the roads, etc.). Discussion also took place on the RMC's responsibility to the community: should we get more involved with other community projects? The consensus was that we shouldn't. The purpose of the RMC is to maintain roads; don't do anything else.

In addition to the discussion at the forum, mail-in comments were also solicited. These comments showed a much wider diversification: there were more conflicting opinions. In any case, the Board of Directors appreciates the comments (both live and mail-in) and will consider them in discussions on these topics at Board meetings.

Everyone seemed to agree that the forum had been worthwhile and that we should have them twice a year: once during the annual meeting (October) and again in the spring (March or April). We are currently planning the next forum for our October 12, 2002 annual meeting. See you there.

REWARD

The Corporation is offering a \$500 reward to anyone having information that will lead to the arrest and conviction of the person/persons vandalizing the street and traffic signs in H.O.V.E. Information will be held in strict confidence.

H.O.V.E.R.M.C. ANNUAL MEETING

Saturday
October 12, 2002
10:00 a.m.
Ocean View Community Center
Leilani Circle

GETTING IN TOUCH WITH HOVERMC

Our office is located in the Ocean View Town Center, PO Box 6227, Ocean View, HI 96737, and the office hours are from 7:30 AM to 4:30 PM, Monday through Thursday. Our telephone number is (808) 929-9910 and our e-mail is hooveroad@hialoha.net.

We also encourage you to notify the office if you have a change of address. This will help us get information to you in a timely manner.

Our Directors & Officers are as follows:

Steve McKinney - Pres.
Vernon Dickie - VP
John Villevik - Sec.
Frank Harper - Treas.
Bill Noxon - Director
Steve Graham - Director
Merle Martin - Director

HELP! WE NEED BOARD MEMBERS

The By-Laws of this Corporation state that the Board of Directors shall consist "of not less than three (3) or more than eleven (11) members". The only requirement is that "all members of the Board of Directors must be members of the Corporation in good standing and current with their dues and assessments". Directors serve three year terms, and during that time are expected to attend monthly Board Meetings (4:00 P.M. on the first Tuesday of each month at the Road Maintenance Office). However, if a Director has a trip planned, or a conflict with some other business, he may be excused from the meeting. During these meetings, the basic guidelines and regulations which direct the Corporation are formulated, discussed and voted on. No knowledge of roads is required, but a knowledge of planning, organization, or general management is helpful. Certainly the desire to improve the Corporation and the Community is a necessity. So if you think you can help toward better roads with lower assessments, drop by the office or attend a Board meeting, which are always open to the public. We'd love to help you become a Board member.

H.O.V.E.R.M.C. - O.V.C.A.

Looks like just a lot of letters but there's a great deal of meaning behind them. Both organizations, Hawaiian Ocean View Estates Road Maintenance Corporation and the Ocean View Community Association used to be under one "umbrella" but went their separate ways many years ago, and still both are looking out for the well-being of the community. By owning property in H.O.V.E. each of us is automatically a member of the H.O.V.E.R.M.C. and the fees we pay each year are mandatory under a court order. Membership in O.V.C.A. is voluntary at \$25 per person each year, but that organization can function effectively only through its membership and dues. Please support them. For information on O.V.C.A., contact them at P.O. Box 6016, Ocean View, HI 96737.

EXECUTIVE DIRECTOR'S REPORT

By Jean Redman

This has certainly been an interesting year in Ocean View. We experienced a major problem with the postal service and never received a great deal of mail over a 4 week period, during the last 2 weeks of February and the first 2 weeks in March. We were able to pretty well pinpoint these dates due to the statements that we sent out over the past 2 months. We got a lot of phone calls and letters stating that customers had sent in payments but had not gotten cancelled checks back. We appreciate the understanding of our lot owners.

I would like to remind everyone that the bills for the year are sent out each January. Maintaining our roads is an ongoing process, therefore so are the maintenance fees. If you do not receive a bill for the year, please contact the office. We would all like to think that if we didn't get a bill that there was no assessment for that year. Please bear in mind that the Corporation is in business to keep the roadways in the best possible repair and as safe as possible with the funds that we collect. Please let us know if you witness someone vandalizing the signs or damaging the roads. Be aware that the needed replacement and repair is coming out of your pocket.

I would like to ask that if you have an e-mail address please include it when you are sending back the ballot, or when you return payment for your assessment fees. We will try to get out as much information as possible this way in the future.

2003 ROAD MAINTENANCE PLAN by Jean Redman

In the year 2003, we plan to continue our project of widening our road shoulders and chip sealing and to move ahead with the fog sealing process in order to protect the roads that are in good condition. Following the fog sealing, the center line and shoulder areas will be striped. This process will also combine painting the STOP bars and SLOW wording on the road surfaces. We are still working to improve line of sight problems and to increase signage along the roads to reduce liability for the owners. As you travel throughout the subdivision, you will undoubtedly notice that we are installing more devices that will draw attention to upcoming STOP signs, intersections, no shoulders and steep hills. These run into a large expenditure in the budget, but they seem to be a necessary purchase to help motorists travel on our roads more safely. The following is the plan for the year 2003:

- 8-10 blocks to be rebuilt
- 30 blocks to be widened and chip sealed
- 140 blocks to be fog sealed
- 50 blocks to be painted (striped)
- 24 days assigned to sign installation

BOARD OF DIRECTORS PROFILES

The annual election of directors takes place with the enclosed ballot. This year we only have three candidates running to fill the vacant board positions.

STEPHEN E. GRAHAM

Steve has owned the property in Ocean View since December of 2000. He would like to serve on the board because he feels that maintaining the roads and reducing the liability is of utmost importance.

BILL NOXON

Bill has lived in Ocean View for many years and is not a newcomer to the Board of Directors. Bill served 6 years with the Road Maintenance Corporation and took a well deserved break but has decided to come back and share some of his experience and knowledge. Bill feels that getting good, safe roads without unnecessary expense is very important to all lot owners.

LOREN HECK

Graduated San Francisco State University, then attended Los Angeles Art Center College of Design.

Worked in Hollywood for 15 years for Mirage, Inc. as an advertising & publicity photographer. Moved to the Big Island in 1988 and settled in Ocean View in 1990 where I met & married Diane Neufeld, a nurse in the ER at Kona Community Hospital. I still take photos for advertising, portraits, & weddings; and own & operate New Fields Nursery, selling protea plants & flowers. I was President of O.V.C.A. last year & am currently VP of the Ocean View Garden Club.

ROAD RIGHTS-OF-WAY

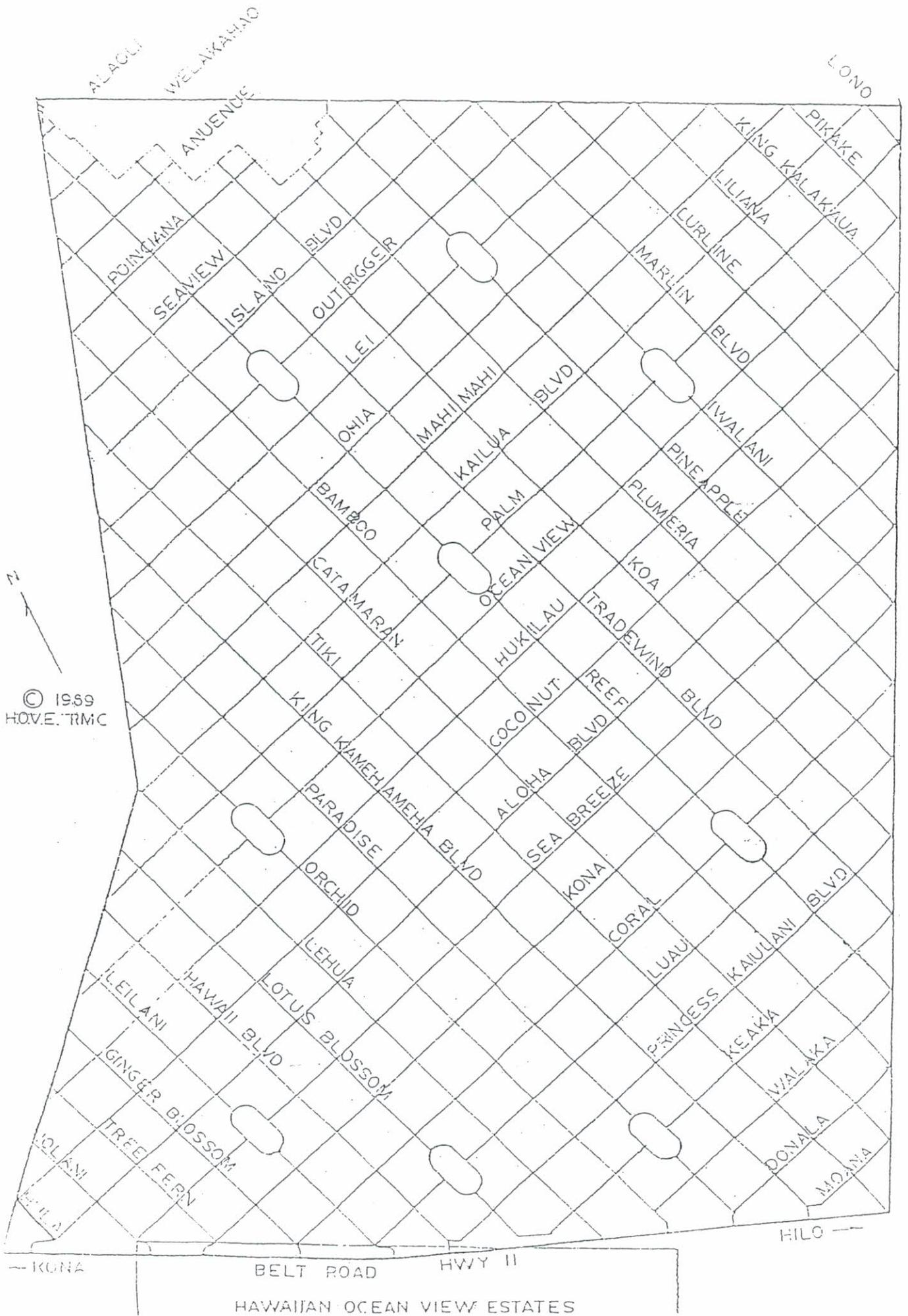
Once again, here is another reminder on the subject of HOVE roads rights-of-way and how they could impact you if you build or plant within the right-of-way. First some facts. HOVE boulevards have 60 foot wide rights-of-way. Other HOVE roads have 40 foot wide rights-of-way. The current pavement widths are approximately 20 feet. The pavement is not necessarily centered in the right-of-way. These last two facts can cause problems for HOVE lot owners who are not aware of where their front property line is, and assume their property continues until the pavement. It does not! These problems are becoming more apparent now that we are adding shoulders. If you have built a stone wall or planted trees or shrubs near the pavement, you may find that these "improvements" are 30 feet inside the road right-of-way. Another problem is driveways. Many people slope their driveways directly to the edge of the pavement, just following the natural slope of the land. When the road is widened, their driveway may end either above or below the new shoulder, and may be impassable without further work on their part.

On the advice of our attorney, the Road Maintenance Corporation is now taking action against people who encroach into the road right-of-way. When we notice this happening, we verbally discuss the matter with the property owner. If this doesn't solve the problem, we will send the property owner a registered letter informing them of their violation and giving them a deadline to remove the encroachments. If this doesn't bring action, we will!

So, what can you do?

The first thing is to find the front property pins for your lot; this will give an excellent definition of your property line. The second thing is to call the Road Maintenance Office and arrange to get a no-fee "Owner's Notice of Work" before beginning any work near the road. This approach allows the foreman of our Road Crew to inspect the area along the front of your property, and to give you advice at NO CHARGE.

	Actual	Budget	Actual	Budget
Operating	2001	2002	thru 6/30/02	2003
Materials Chip & Base	74,756	80,000	31,823.77	80,000
Materials Fog & Road Oil	172,322	200,000	65,239.89	200,000
Delivery & Auto Removal	0		0.00	
Fuel, diesel, lube & oil	24,597	25,000	10,244.06	25,000
Water Hauling	245	500	67.12	1,000
Tires	16,466	15,000	3,798.19	15,000
Equipment Repair - Parts & Labor	33,472	30,000	19,365.85	40,000
Traffic Signs & Poles	12,136	10,000	8,049.83	15,000
Baseyard Upkeep-Supplies	1,488	2,500	2,062.13	2,000
Tools	3,039	2,000	172.45	2,000
Licensing	943	1,200	1,187.41	1,200
Truck & Equipment Insurance	12,456	9,000	12,748.00	12,000
Payroll & Related expenses	290,828	338,000	166,473.53	328,000
Contract Labor	32,750	15,000	8,000.00	10,000
Clothing Allowance	3200	3,500		3,500
Total Operating Expenses	678,698	731,700	329,232.23	734,700
Administrative Expenses				
Taxes, dues, fees, penalties	1,838	2,000	492.48	2,000
Insurance - liability	27,194	28,000	27,621.76	23,000
Bank Service Fee	3,118	3,000	3,034.64	3,000
Legal	1,094	5,000	0.00	10,000
Office Rent	8,622	10,149	4,744.04	10,149
Printing	1,516	1,500	420.34	1,500
Supplies	1,528	1,500	724.35	1,500
Travel	0	500	0.00	500
Postage	9,718	10,000	6,025.56	10,000
Telephone/Fax (baseyard & office)	2,520	2,700	1,430.19	2,700
Electric (baseyard & office)	2,080	2,000	1,299.24	2,500
Employers Council	850	500	500.00	500
Advertising	23	250	0.00	350
Professional Services/Audit	9,956	10,000	8,020.78	10,000
Computer/Copy Machine	272	2,000	2,465.92	1,000
Miscellaneous Expense	835	1,000	640.29	1,000
Total administrative Expenses	71,164	80,099	57,419.59	79,699
Depreciation	53,850			
Total Budget	803,712	811,799	386,651.82	814,399
Note 1: Investment services for \$14,860 not budgeted as the fee comes from the trust fund.	14,860			
THE ASSESSMENT FOR 2003 WILL BE \$90 / LOT BASED ON THE ABOVE BUDGET.				



© 1989
HOVE. TRMC

HAWAIIAN OCEAN VIEW ESTATES

ON THE REVERSE SIDE OF THIS PAGE YOU WILL FIND YOUR BALLOT. IT IS IMPORTANT THAT YOU VOTE ON THE ISSUES INCLUDED. IT IS YOUR OPPORTUNITY TO BE COUNTED.

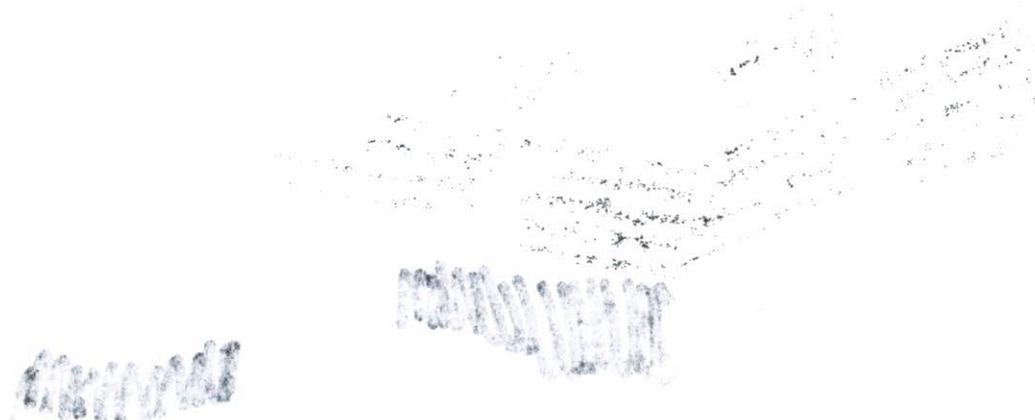
PLEASE FOLD AND MAIL THIS ENTIRE PAGE, **INCLUDING THE ATTACHED MAILING LABEL**, TO THE ADDRESS SHOWN BELOW, POSTMARKED **NO LATER THAN OCTOBER 1, 2002.**

THE MAILING LABEL CONTAINS A NUMBER IN THE LOWER CORNER THAT REPRESENTS THE NUMBER OF LOTS OWNED AND VOTES WILL BE COUNTED ACCORDINGLY - 1 VOTE PER LOT

-----FOLD-----

KONA LEAGUE OF WOMEN VOTERS
P.O. BOX 4478
KAILUA-KONA, HI 96745-4478

-----FOLD-----



H.O.V.E.

ROAD MAINTENANCE CORP.

Newsletter - fall 2003

PRESIDENT'S MESSAGE

By Loren Heck

As interim President of your H.O.V.E. Road Maintenance Corp., I will try to limit my input to indisputable facts. Though my time here has been limited, and also my perspective, it is still obvious that the amount of information needed to be delivered to the approximately 7,500 lot owners in H.O.V.E. and on the mainland is far too comprehensive to be delivered properly in the brief format of our annual newsletter. Please be advised that your board will be working on expanding the newsletter as well as developing an informative and up to date version of our web site.

Presently, communication can be made with the office located in the Ocean View Center, P.O. Box 6227, Ocean View, HI 96737. The office hours are from 7:30 a.m. to 4:30 p.m., Monday through Thursday. The telephone number is (808) 929-9910 and our e-mail address is hooveroad@hialoha.net. Though at present, our web site is limited, you can find the minutes of the Board of Directors' meetings posted at <http://www.kauhawaii.com> go to "Community Info".

In the spirit of open and above board communication to our membership, the following statements of fact are meant to clarify as much as possible the organizational changes at H.O.V.E. Road Maintenance Corp. We have undergone changes in administration and board membership this year as follows. Executive Director Jean Redman and, later, Board President John S. McKinney, resigned. A Mutual Release of All Claims was signed by both parties in January '03 and Ms. Redman made an "accounting adjustment" to the Law Corporation of Jung and Vassar for the amount of \$20,911.51.

Gladios Hoagland was hired to replace Mrs. Redman as Executive Director, and after eight months, "regretfully submitted" her resignation. Board of Director Vice President Loren Heck succeeded President McKinney's position, and currently remains as H.O.V.E. Road Maintenance Board President. Board member Merle Martin replaced Loren Heck as Vice President and also remains in that position. Unfortunately Secretary, Vernon Dicke and Bill Noxon both had to resign from the board for reasons of health. Then Steve Graham and Jacqueline Felton resigned for personal reasons. In the meantime, Frank Carvelli was appointed to the board and became Secretary but after a few months, he resigned for personal reasons.

Robert Armstrong was appointed to the board and has been doing an admirable job as Treasurer, while Frank Harper, after 9 years of dedicated service as Treasurer is going to retire from the board at the end of the year. Frank has promised to be available as a consultant in the future. Sandra Shaw-McDaniel was recently appointed to the board along with Maggie Arbo. These are two highly qualified members of our community that bring with them fine reasoning abilities and their calming influence.

In the midst of these changes, the good news is that as the dust has settled, those remaining stand steadfast and dedicated to correct any past or future problems. Failure reveals faults. Be assured that we are

taking advantage of this opportunity to apply the checks and balances needed to shore up any faults revealed. We'll never be infallible, but we will be accountable.

We presently have a core board that is occupied by an extraordinarily strong group of individuals with an even more remarkable ability to act in a cooperative manner. We're obviously looking for more civic-minded people in H.O.V.E. that are willing to lend their strengths in these challenging times. Remember, even capable people, at times, are shortsighted. The more good board members you have, the less chance there is that everyone will be shortsighted at the same time.

Your roads continue to be maintained and improved because of five employees we can consistently count on. Road Foreman (Mac) McKinley Kaupu, Jeffery Anderson, Crispin Navarro and Rudy Kaupu show up every workday to go at it full bore. They have never let us down, and we appreciate their effort. The fifth employee, whose name has so far not been mentioned, is the one person who has been able to withstand the extraordinary change in the front office this past year. We are extremely grateful to Jeannie Wilkison who was strong enough to stand in, stand up, and stand out as a very important part of our organization.

Finally, I am pleased to announce that through all of this year's challenges, we were able to lower your road assessment to \$85. Through the coordinated efforts of our capable road crew, revamped front office and dedicated Board of Directors, we expect to continue to maintain high quality, safe roads, in the most efficient manner possible.

WIDER SHOULDERS = SAFER ROADS

By Loren Heck

We have written extensively about this subject in past newsletters. Road rights-of-way and possible encroachment problems are now upon us. Perhaps you've seen the small white marked pins placed along the center of our roads, boulevards, and intersections, or noticed the shoulder work being done along King Kamehameha Blvd. As well as other roads. We are not actually widening the paved roads, we are installing safe shoulders and clearing a better line-of-sight at intersections.

Here are a few facts to keep in mind.

1. All of the roads and boulevards are not necessarily centered in our right-of-way.
2. The total right-of-way for roads is 40' (20' from the center pin mark).
3. The total right-of-way for boulevards is 60' (30' from the center pin mark).
4. When the road crew sees a problem with encroachment, the procedure is as follows.
 - A) An attempt will be made by our Road Foreman, McKinley Kaupu to discuss how best to solve the problem with the property owner.
 - B) If the problem is not solved, we will send the property owner a registered letter informing them of the violation; giving them (45) forty-five days to remove the encroachment.
 - C) If no agreement to remove the problem has been made, legal action will follow.

The solution is really quite simple. PLAN AHEAD. Be aware of where your front property line is before you make improvements such as cement driveways, rock walls, or planting. There can be no exceptions. Our plan is clear and so is the law. So, please, let's have a smooth transition. This work is for your safety.

INVESTMENT STRATEGY FOR THE H.O.V.E. R.M.C. TRUST FUND

By Bob Armstrong, Treasurer

At a special meeting held May 15, 2003, the H.O.V.E. Road Maintenance Corp. Board of Directors accepted a new Investment Policy Statement which outlines the investment strategy to be followed in the management of the corporation's trust fund. Some of the objectives are as follows. (For a complete investment policy statement, please contact the H.O.V.E. R.M.C. office 808-929-9910)

*Primary Objective: The primary objective of the investment will be income, with a secondary goal of growth.

*Risk Tolerance: The risk profile for the Fund shall be conservative.

*Asset Allocation Guidelines: The Fund shall make every effort to maintain a balanced portfolio, by investing in different asset classes according to the Fund's risk profile.

*Cash Management: Cash, and equivalents, will be maintained in liquid interest bearing securities, including shares of money market funds, with a daily sweep.

*Allowable Transactions: All investments selected for the portfolio must have a readily ascertainable market value. The Fund will be permitted, but not limited to, the purchase of the following security types:

-U.S. Government & Agency Securities

-Mortgage Backed Securities

-Corporate Bonds/Notes

-Convertible Bonds/Notes

-Preferred & Common Stock

-Mutual Funds

-Closed-end Funds

The board intends determinations to be based on a minimum period of three years, in order to provide a fair basis for evaluation, however reserves the right to terminate an investment manager(s) at any time, and for any reason.

The board will review quarterly reports upon receipt from Sita Peacock at Merrill Lynch, and will hold, at minimum, an annual meeting for evaluation purposes.

DELINQUENT ACCOUNTS

By Bob Armstrong, Treasurer

In order to clarify and because of possible past inconsistencies in the applications of procedures dealing with delinquent accounts, the following is the statement of procedures of the H.O.V.E. Road Corporation in dealing with these matters.

1. Each account in question will be individually reviewed by the H.O.V.E. Road Maintenance Corporation Finance Committee.
2. Payment or proof of payment is not received in 30 days, then a letter of intent to lien may be issued to the delinquent member.
3. If payment or proof of payment is not received in 30 days, then a letter of intent to lien may be issued to the delinquent member.
4. If after 90 days of notice of intent to lien, payment or proof of payment is not received, then liens may be imposed by the H.O.V.E. Road Maintenance Corporation on the properties in question.

SHORTAGE OF VOLUNTEERS SLOWS PROGRESS

Low participation makes it hard to complete many pressing matters quickly or efficiently. The By-Laws of this corporation state that "The Board of Directors shall consist of not less than three (3) or more than eleven (11) members." At present we have a total of five (5) hard working and cooperative members on the board. Volunteers are needed to serve as directors or on committees to resolve major problems regarding issues of safety, liability, office procedures, management concerns, road encroachment, collections, and, of course, the pressing issues of maintaining and repairing the roads.

You can have a positive impact on your community. Join the wave of vital volunteers willing to help your H.O.V.E. Road Maintenance Corp. The only requirement is that "all members of committees and the Board of Directors must be members of the Corporation in good standing and current with their dues and assessments." Board meetings are the first Tuesday of each month 4:00 P.M. in the Road Maintenance office. No knowledge of roads is required, but organizational skills and the willingness to express your thoughts in a positive manner is desired. The monthly Board meetings are open to the public, so drop in and observe the progress we're making. Your input is always recognized and desired.

2004 ROAD MAINTENANCE PLAN

By McKinley Kaupu, Foreman

As working Foreman for H.O.V.E. Road Corporation, I would like to take the opportunity to give our community an update on what the road crew has scheduled for the year 2004.

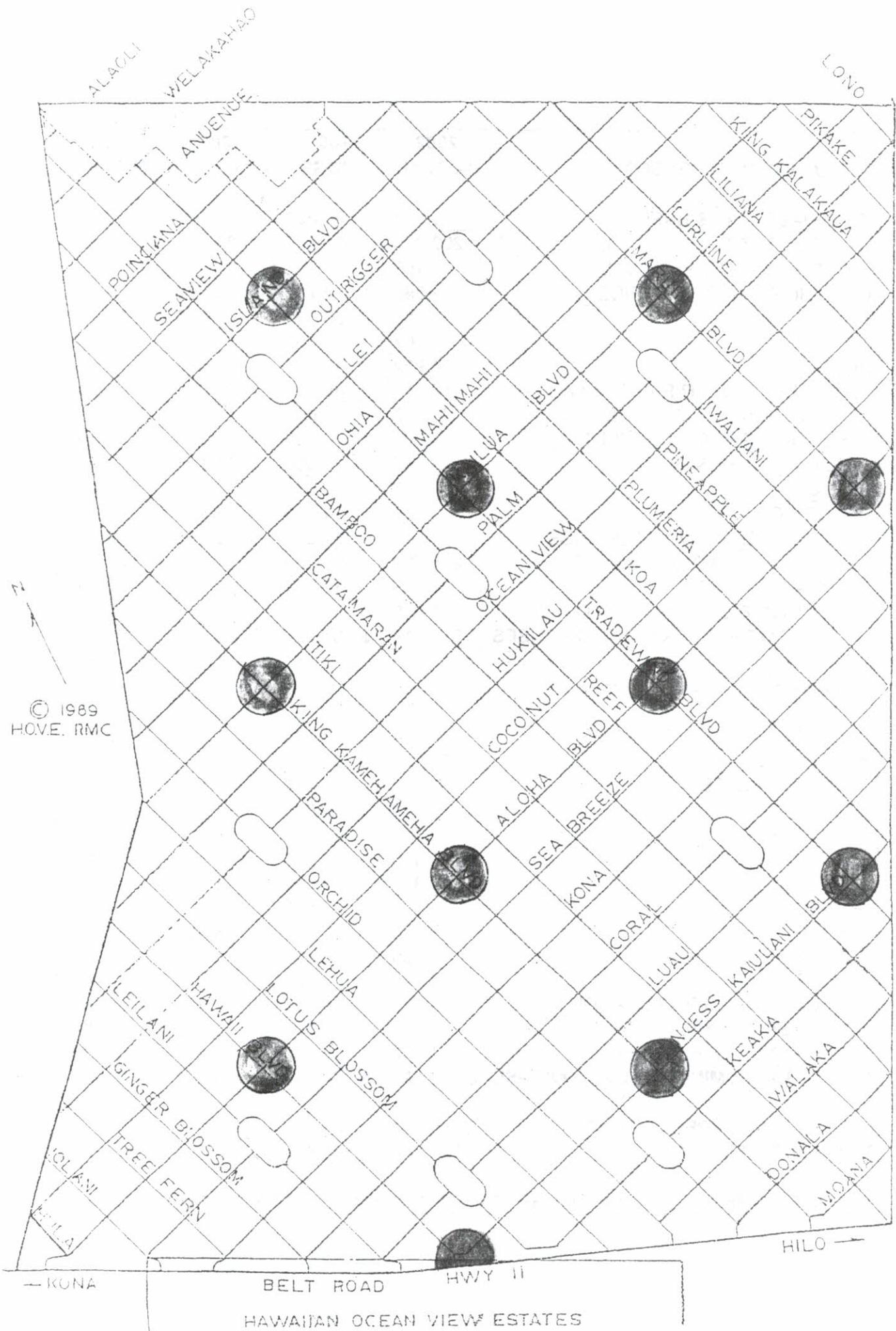
The plan includes:

- A. 8 Blocks - To rebuild
- B. 22 Blocks - Re-chip
- C. 60 Blocks - Fog seal
- D. 50 Blocks - Painting
- E. 21 Days - Patching (using 1,050 man hrs.)
- F. 24 Days - Sign installation (using 480 man hrs.)

The crew has experienced a number of equipment problems that are diligently being addressed. With the Board's approval we were able to purchase an Excavator 312 C to back up our 780 Case Hoe-ram. (The Road Corp. expects this piece of machinery to be delivered sometime in October.) The Excavator will help to speed up the workload on shoulder widening and rebuilding. Although we are a four-man crew servicing 157 miles of road, we have still managed to stay close to the proposed schedule and within budget. We will try our utmost to maintain the safest roads possible. As a community we appreciate your patience and cooperation. Mahalo!

**ANNUAL MEETING
H.O.V.E. R.M.C.
SATURDAY, OCTOBER 11, 2003
10:00 A.M.
OCEAN VIEW COMMUNITY CENTER
LEILANI CIRCLE**

	2002	2003	2003	2004
OPERATIONAL EXPENSES	ACTUAL	BUDGET	ACTUAL 6/30/03	BUDGET
MATERIALS CHIP & BASE	70,807	80,000	7,598	79,000
MATERIALS FOG & ROAD OIL	200,000	200,000	83,520	207,000
DELIVERY & AUTO REMOVAL	159	20	-	100
TELEPHONE (BASE & OFFICE)	2,865	2,700	1,306	2,600
FUEL	19,858	25,000	9,057	23,000
WATER	67	1,000	54	500
TIRES	4,922	15,000	696	13,000
EQUIPMENT REPAIR-PARTS & LABOR	40,213	40,000	12,866	40,000
TRAFFIC SIGNS POLES & PAINT	21,079	15,000	-	17,000
BASEYARD UPKEEP & SUPPLIES	4,909	2,000	2,073	3,000
ELECTRIC (BASE & OFFICE)	2,347	2,500	1,129	2,300
TOOLS	172	2,000	317	1,100
LICENSING	1,815	1,200	1,055	1,400
TRUCK & EQUIPMENT INSURANCE	12,748	12,000	8,750	14,300
PAYROLL & RELATED EXPENSES	298,799	328,000	145,063	302,100
CONTRACT LABOR	359	10,000	16,000	5,700
INCENTRIVE & CLOTHING ALLOWANCE	3,500	3,500	-	3,500
TOTAL OPERATING EXPENSES	\$ 684,619	\$ 739,920	\$ 289,485	\$ 715,600
ADMINISTRATIVE EXPENSES				
TAXES/DUES/FEES/PENALTIES	1,684	2,000	-	2,000
INSURANCE-LIABILITY	28,933	23,000	36,713	28,500
BANK SERVICE FEE	3,582	3,000	1,535	2,600
LEGAL	863	10,000	25	2,900
OFFICE RENT	9,319	10,149	4,837	9,500
PRINTING	2,469	1,500	419	2,000
SUPPLIES	2,327	1,500	1,280	1,700
TRAVEL		500	-	600
POSTAGE	10,853	10,000	6,609	11,400
EMPLOYERS COUNCIL	1,050	500	275	
ADVERTISING	170	350	273	300
PROFESSIONAL SERVICE/AUDIT	15,927	10,000	833	10,000
COMPUTER/COPY MACHINE	3,916	1,000	741	2,800
MISCELLANEOUS EXPENSES	1,132	1,000	-	1,100
TOTAL ADMINISTRATIVE EXPENSE	\$ 82,225	\$ 74,499	\$ 53,541	\$ 75,400
PLUS CAPITAL IMPROVEMENTS	\$ 8,000		\$ 10,000	
TOTAL BUDGET	\$ 774,844	\$ 814,419	\$ 353,026	\$ 791,000
THE ASSESSMENT FOR 2004 WILL BE \$85/LOT BASED ON THE ABOVE BUDGET				



HAWAIIAN OCEAN VIEW ESTATES

Bob Armstrong

I hold two degrees from the University of Illinois and one from the University of Arizona. I am retired from working for 32 years as head of research at Longwood Gardens, Kennett Square, Pennsylvania, and also, concurrently, for the final two years as acting head of horticulture. I have owned property in Ocean View since 1992 and have lived in Ocean View since 1999 where I am currently developing a protea farm called Ka'u Protea. My experience in management should serve to help make the H.O.V.E. Road Maintenance Corp. a more effective and stable organization.

Sandra Shaw McDaniel

I've lived in Ocean View for 3 years. In my opinion, Ocean View is a great place to live and I want to be more involved with the community.

Coming from Arizona, I feel I have qualifications and experiences that can make a contribution to the H.O.V.E. Road Maintenance Board of Directors. I have been president of a homeowner's association, real estate salesperson, and full-time administrator of a large corporation conglomerate with diverse responsibilities. After 27 years I am still active in this position, but consider myself semi-retired.

William Lucas

I'm married, age 60, born in Hawaii, a HOVE property owner & resident for the past 17 years, currently retired. My education is architectural and civil engineering. Work experience consists of bank management, auto mechanic, heavy equipment operation and repair, small business owner/operator of landscape construction company.

Community service consists of: Past board member of Kau Rural Health Community Association, U.S. Department of Transportation certified technician for installation of automobile child restraint systems, endowment member and recruiter for National Rifle Association, Patron member of Big Island Gun Club, active member of Divine Faith Ministries of Ocean View.

Historically, the HOVE road commission has encountered several challenging growth phases and evolved into what it has become today. I believe there is still room for growth towards excellence and efficiency by reviewing and modifying some of the existing administrative policies. I will work diligently to uphold the integrity of the road commission's administrative and operational functions.

AN OFFICE BUILDING TO BUILD OR NOT TO BUILD.....

On the last page of the newsletter you will notice on the 2004 ballot the question, "Do you approve of an office building being built next to the existing maintenance yard building at Lehua and Aloha, to house the administration portion of our road maintenance personnel for a cost not to exceed \$100,000.?"

This is an issue that has been considered for many years. Since the subject directly affects our members, and appears to create an ardent response, we felt that it was important to find out how you feel before deciding what action to take.

Our office is currently located in the Ocean View Town Center. We pay a monthly rent of \$662.72. The basic argument seems to be convenience vs. capital investment. The current location may be more convenient to the general population in H.O.V.E. and less apt to be broken into or vandalized. On the other hand, building an office building at our base yard will save us monthly rent and would pay for itself within ten years; leaving us with the building as a capital improvement.

There will be further discussion of this subject at the Road Maintenance Corporation's PUBLIC FORUM directly after our annual meeting, which begins at 10:00 a.m. Oct. 11, at the Ocean View Community Center on Leilani Circle.

R.M.C. PUBLIC FORUM

By Merle Martin, Vice President

The Road Maintenance Corp. will hold a Public Forum open to everyone in H.O.V.E. immediately following the October 11 Annual Meeting held at Ocean View Community Center. We will solicit your opinions, address all issues, and recruit volunteers. If you are unable to attend please send your comments on the back of this form to the Road Corp. office. All replies, comments, etc. will be provided in summary form within the next newsletter.

The following is a list of some of the topics to be covered: Encroachment, Road Maintenance Corp. office building construction, safety issues, controlling 18 wheelers and heavy equipment road damage, additional office staff, billing procedures, illegal dumping of trash and cars on vacant property, and developing long range strategies.

BOARD OF DIRECTORS ELECTION PROFILE

The annual election of new board members takes place with the enclosed ballot. This year, three of the four new candidates were temporarily appointed to the board, and need your approval to continue. All four candidates are running for 9 available spots, which means that unless there is some overwhelming reason any of them should not be accepted, we will have a dedicated and hard working board of 6.

ON THE REVERSE SIDE OF THIS PAGE YOU WILL FIND YOUR BALLOT.
IT IS IMPORTANT THAT YOU VOTE ON THE ISSUES INCLUDED.
IT IS YOUR OPPORTUNITY TO BE COUNTED.

PLEASE FOLD AND MAIL THIS ENTIRE PAGE,
INCLUDING THE ATTACHED MAILING LABEL, TO THE ADDRESS SHOWN BELOW,
POSTMARKED **NO LATER THAN OCTOBER 3, 2003.**

THE MAILING LABEL CONTAINS A NUMBER IN THE LOWER CORNER THAT
REPRESENTS THE NUMBER OF LOTS OWNED AND VOTES WILL BE COUNTED
ACCORDINGLY - 1 VOTE PER LOT

-----FOLD-----

KONA LEAGUE OF WOMEN VOTERS
PO BOX 4478
KAILUA KONA, HI 96745-4478

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H.O.V.E. ROAD MAINTENANCE CORP.
2004 BALLOT

I approve the year 2004 budget and road plan - \$85.00 / Lot

YES
 NO

Board of Directors (3 votes per lot)

Bob Armstrong
 Sandra McDaniel
 Bill Lucas

Do you approve of an office building being built next to the existing maintenance yard building at Lehua & Aloha, to house the administration portion of our road maintenance personnel for a cost not to exceed \$100,000?

YES
 NO

COMMENTS OR SUGGESTIONS

HOVE Road Maintenance Corp.
PO Box 6227
Ocean View, HI 96737-6227

Return Service Requested

NEWSLETTER & BALLOT

Annual Newsletter

A Letter from the President

by Sandra Shaw-McDaniel

The Board of Directors has been very busy this year. The best description I can give is we had a lot of bonfires to put out.

My first objective was to bring order to our office. It was essential that the office be reorganized and reconstructed to meet minimum acceptable business standards before we could even think of attacking other problems that had developed for HOVE RMC under past administrations.

Our office staff is entirely new. They are experienced office personnel. The staff consists of an office manager, a researcher and part-time employee to fill in where needed. I am pleased with the professional atmosphere that this office has achieved in a short time.

We have hired professional people and assigned to them accounting functions previously handled internally. Mr. Ramos is our accountant and will be doing our monthly financial statements, our payroll, deductions and tax returns, and is also giving us an enormous amount of help and advice in getting our books brought up to date.

Our new CPA is based in Honolulu. Mr. Gouveia is a MAS90 expert and that is our computer system. He will be auditing our books.

Also on board now is a civil engineering firm. M&E Pacific, Inc. will be studying our safety and encroachment issues, conducting surveys where needed and providing advice on road building improvements. They will act as advisors to the Board to help us determine where to act, and how.

As the enclosed copy of our new statement appears on Page 6, you will notice that the Ka'u Credit Union is going to be our collection agent for our March 2005 billing. There will be a state-

ment and an enclosed, self-addressed envelope for your convenience in making 2005 payments. This addresses the need for easier accounting control and also eliminates the risk associated with handling large amounts of currency in our office. Ka'u Credit Union has a branch a few doors from our office; their hours are from 1:30 pm to 5:00 pm Monday through Friday.

One bit of advice needs to be emphasized. "Buyers Beware", **liens stay with the property**. If you are thinking of buying property here, whether it be in tax sale, auction, or even personal sales, make sure the property has been researched and there is no lien on the property. Our office can help you with this. We cannot remove liens until they have been satisfied.

By-laws are free for the asking. Come to the office to pick up a copy, or we can mail them to you on request.

We've put copies of our recent press releases on page 5. This is our way of getting information out to the general public as to what is happening during the year. HOVE is a growing community, and we need to be ready for an increase in our road usage as predicted.

Because of the better collection procedures which have been put into effect, we have been able to purchase approximately \$375,000 of much needed new road equipment, without increasing our assessments. I am pleased to announce that through all of this year's challenges, we are able to keep the road maintenance fees at \$85 per lot. Through the coordinated efforts of our capable road crew, office staff and dedicated Board of Directors, we look forward to the new year and new challenges.

Board of Directors

Officers:

- President: Sandra Shaw McDaniel
- Vice President: Merle Martin
- Treasurer: Bob Armstrong
- Secretary: Jeri Dickson

Vernon Dicke • Loren Heck

Vernon Dicke will be retiring this October. He will still be around for input on various subjects for discussion. "Doc" is one of my historians for information. Thank you, Vernon, for your many hours contributed to HOVE RMC.

Loren Heck and Jeri Dickson were appointed to the Board during 2004. They need to be approved by the membership and their names are included on the ballot for your vote.

A Brief History of HOVE and the Road Maintenance Corporation

by *Teddi Stransky*

HOVE Road Maintenance is a 501(c) (4) nonprofit corporation, established in 1983 for the purpose of rebuilding and maintaining the 157 miles of road within the Hawaiian Ocean View Estates subdivision.

Hawaiian Ocean View Estates was once part of Kahuku Ranch, itself a part of the *ahupua'a* (ancient land division) of Kahuku. Development started in HOVE in the late 1950s; the original developer was the Crawford Oil Company. Surveyors defined roads, blocks and lots by “chaining” in those days, long before GPS positioning. Roads were bulldozed through the lava and forest in a giant grid running diagonally to the highway; Mrs. Crawford named each and every one.

HOVE was marketed on the mainland in several creative ways, including advertisements on matchbook covers. Many hopefuls bought property sight-unseen; some of the acres were selling for as little as \$500.00. To this day, property owners come into our office who have inherited land they never knew existed, from parents who never even came over to see it. Some still firmly believe they own ocean-front property, even though HOVE is about five miles above the coastline.

In the early 60s, the first few residents came, hardy souls with pioneer spirits who were not intimidated by the lack of electricity, water, phone service, or virtually any of the amenities which most Americans expect as their God-given right. The boom the developers planned for never really happened, and Ocean View remained thinly populated, but with a closely-knit and aggressively creative community of residents whose tal-

ents and determination created the Community Center, the churches, and the shopping areas that now exist.

The original developer had established a trust fund, managed by Bishop Trust of Honolulu, which was intended to pay for the maintenance of the many miles of roads (the equivalent of half way around the island!). The trust fund proved woefully inadequate over time. By the early 80s, the roads were deteriorating badly, many of them nearly impassable. On August 3rd, 1983 the HOVE Road Maintenance Corporation was established by the Hawaii Third Circuit Court to rebuild and maintain the roads in the subdivision. Operating on minimal dues (\$10.00 a year) and donations, some road repair was accomplished in 1984; equipment at that time consisted of “a truck, two shovels and a bucket of bitumen” according to local remembrance.

The balance of the original trust was finally transferred to the Corporation late in 1985, and some “real” road machinery was acquired, mostly secondhand. Our 1972 dump truck (still in use today) dates back to that era, as does the chip spreader (now finally being replaced), which is so old we’ve never found a date or manufacturer’s mark on it. Most of the actual work was performed by a dedicated group of powerful young men, many of whom are still on the crew ... still dedicated, still powerful, and still getting very, very dirty!

In 1992 the right of the Corporation to levy annual assessments for road maintenance was challenged in Court; the upshot of this was to firmly establish the

Road Corp. as a legal and responsible entity in the subdivision. Gradually the roads were rebuilt and paved by a process called “chip seal,” which creates a surface similar to asphalt. Although chip-seal is slightly less durable than asphalt, it is much more cost-effective for a small community, and the addition of fog-sealing equipment in the mid 90s improved the surface durability considerably. By 1995, all 157 miles of road within the subdivision

had been rebuilt and repaved, and Ocean View was lauded as having the best roads of any of the so-called “substandard subdivisions” on the Island. Most residents and nonresident property owners were pleased with the results, and our well-paved, easily-traveled roads became a source of community pride.

Then, late in 2001, the individual who had run the office almost since the beginning of the Road Corp., one of the most respected pillars of our small town, was discovered to have betrayed the trust of the residents and of the Corporation. This embezzlement created an atmosphere of anger and suspicion that cast a shadow over the entire community. There was a period of shock, outrage and demoralization, and some foolish things were said and done by persons both within the corporation and in the population at large. Even more ill-will was generated as the rumor mill went into mandatory overtime and the extent of the situation was blown out of proportion. Although the remaining staff tried to hold things together, the office fell into disarray and confusion, further damaging the bookkeeping system. Even after the missing monies had been repaid, a deep feeling of betrayal in the

**“A Truck,
Two Shovels,
and a Bucket
of Bitumen.”**

**HOVE was
originally
marketed on
matchbooks**

Continued on next page

community kept the rumors and anger alive.

In October of 2003 a new Board was elected, and in November qualified people were hired to take over the bookkeeping and office work. Slowly, the situation began to mend. Some members of the prior Board had stayed in their positions, providing continuity and the benefit of their experience. Although difficulties remained and Board members came and went for a while, within a few months everyone had dug in and started to work together to pull the office back

onto its feet.

The Corporation stands before you today, bruised, shaken, but intact. Although none of us now involved with or employed by the Corporation were responsible for the problems that occurred, we have borne the brunt of many people's mistrust and anger, and worked long, hard hours to clean up the mess, straighten out the books, and get everything back on an even keel. A highly-respected and qualified accountant has been hired to help us recover lost information and repair the damage done to the bookkeeping system;

an independent auditor in Honolulu is auditing us as we proceed. We are doing our best to continue serving Ocean View and its community of over nine thousand property owners, in as many capacities as we are able, every working day.

Property owners who come into our office every day seem pleased with the progress we have made. To those who are not yet satisfied, we ask you for patience; it's a massive job, but we will get it done. We invite all residents and land owners to come in, talk with us, and gain an understanding of what we are doing.

HOVERMC 2004 Road Report

Mac Kaupu (Foreman)

2004 is coming to a close and we would like to update you on what roadwork has been done. As of July 2004, four (4) blocks have been rebuilt, six (6) blocks widened, three (3) blocks chip sealed, forty three (43) blocks fog sealed, and fifty eight (58) blocks painted. The road crew has done patching on various roads throughout the subdivision. They have also done continuous mowing, sweeping and weed whacking to keep the line-of-sight around intersections clear and the vegetation down alongside the roads. The road crew also handles trouble calls made to them on a daily basis. These vary from abandoned vehicles blocking the street to hazardous spills, assisting with traffic control in the event of accidents, helping firefighters, and dealing with other problems within or along the roadway. Regu-

lar maintenance of stop signs, street signs, speed limit signs and cautionary signs are done on a regular basis throughout the subdivision.

The rebuilding of Aloha Boulevard is underway and the road crew has it in the plans to rebuild King Kamehameha Boulevard in 2005. The Board of Directors has hired M&E Pacific, Inc., a civil engineering and surveying firm, to consult on issues like road structure, encroachments

and safety hazards within the easements of the roadway. Hiring M&E Pacific, Inc. will help the corporation to build and maintain the roads more efficiently. Anticipated in the road plan is an inventory of HOVE subdivision roadways, to allow the corporation to regroup and develop a strategy to predict which roads will need repair and to what extent.

The corporation has purchased a new chip spreader to replace the outdated one acquired in the 1970's, and has purchased a new oil distributor to replace the one we bought used in 1972. With the new equipment we will be able to cut down on labor time and material waste and be more efficient in the road maintenance. The new equipment will be arriving sometime in October 2004.

We thank the community for your patience while we are doing the roadwork — and don't forget to give us a wave when you go by!



From left to right, Junior, Rudy, Foreman Mac Kaupu, Elias, Jonathan, Deltan and Ross.

HOVERMC Office Report

by Meleana Smith

Aloha, Lot Owners of Hawaiian Ocean View Estates! I am the Office Manager of HOVE Road Maintenance Corporation. I would like to start off by saying thank you for all the help that you provided in restructuring the HOVE Road Maintenance Corp. office. It has been a long, hard road for all of us.

When I became involved in November of 2003, the first step was to analyze the situation of the corporation. We started by planning and identifying the corporations' needs and resources. With over nine thousand (9,000) accounts to research, the task at hand was tremendous. After our initial statement billing in January we found out just how much work was needed. Some of the discrepancies that occurred throughout the years have been address changes not consistently entered, payments posted to incorrect years, and ownership changes not recognized. Bookkeeping was not to accounting standards and no filing system had been established.

We started by creating a filing system and began to research accounts by what was brought first to our attention by lot owners, and then to verify all other accounts.

The second step was the design phase in which we have redesigned forms, documents, procedures, job descriptions and reports. Within this we were able to put together the administrative team that is helping you today. You will also see in this newsletter that we have created a new statement, which also shows any past due amounts, with

a remittance stub and a return addressed envelope for your use. Please return the remittance stub with your payment to Ka'u Federal Credit Union to help us accurately post your payment to your account.

We are currently into the third and fourth steps, which are implementation of those procedures and follow up. As of this date, we have researched approximately twelve (12) years of information through public records (County of Hawaii/State of Hawaii Bureau of Conveyances), and what information was left here in the office. Though it is now manageable, we still consider ourselves only half way through the problems. There are still accounts that need research due to past billing or ownership changes which have occurred and were not recorded. I am also working closely with David Ramos, CPA, who the corporation hired to assist me in

straightening out the bookkeeping, as well as Ronald Gouveia, an independent auditor from Honolulu, to audit and close the years of 2002 and 2003.

We want the membership to know that the staff here at HOVE RMC is willing to help address your problems. We are consistently monitoring effectiveness and correcting any weaknesses we discover.

I ask for your help at this time. Communication is our greatest asset and we need you as lot owners to inform us when you have sold your property, consolidated or have an address change. We suggest that if you are selling your property that you go through an escrow company. This will eliminate any problems that may occur with the

road assessments and transfer fees.

According to the By-Laws of the corporation "all road maintenance assessments, supplemental assessments, and special assessments, together with late charges, interest, cost and reasonable attorneys' fees, shall have a continuing lien against the owner's interest in such lot to secure payment of any assessments, charges or other amount due and owing to the Corporation" (§5.8) ... in short, all assessments and/or fees will follow any property in H.O.V.E., even in the event of it being sold by the owner or through Tax Auction. The corporation also has the right to lien the property if the assessments are not paid within sixty (60) days of the due date, and within a year may foreclose on the property.

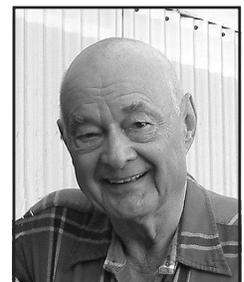
Again, *mahalo* (thank you) for all your cooperation and we are looking forward to a fresh new start in 2005.

Over Nine Thousand Accounts to be Researched

Thanks, Doc!

Dr. Vernon H. Dicke, who has served his three-year term on the Board despite bouts of ill health and the long-term illness of his wife, has announced that he will not be standing for a second term. We wish to take this opportunity to express our gratitude for his wisdom, common sense and fortitude, and to wish him and his wife Billie all the best in the coming years.

*The Board,
Crew &
Office Staff of
HOVE
RMC*



Press Releases from the HOVERMC

(Published in West Hawaii Today, The Hawaii Tribune-Herald, and the Hawaii Island Journal)

June 30, 2004

Hawaiian Ocean View Estates (HOVE) Road Maintenance Corporation president has announced that David B. Ramos, of Ramos Consulting and David B. Ramos CPA & Associates, has been selected as the new accountant for the Corporation effective May 4, 2004. Mr. Ramos has been affiliated with Parker Ranch for over 25 years.

Ron Gouveia of Carr, Gouveia and Matsumoto, Inc of Honolulu was selected as our corporate CPA in May, 2004, and has been assisting the Corporation with development of internal controls and audits for year ending 2002 and all subsequent years.

Effective 2005, the Ka'u Credit Union has agreed to act as the collection agent for all HOVE road maintenance fees, crediting these directly to the HOVERMC account. While this change may be a minor inconvenience for those land owners who are accustomed to paying their assessment at the HOVERMC office, it will eliminate the risks inherent with handling cash in an office, and result in a better record-keeping system.

All of the above changes are the results of a Board of Directors decision in January 2004 to bring the HOVERMC office into compliance

with nationally accepted office and accounting procedures. Prior to these changes, the work in the office had been fragmented, resulting in accounting and record-keeping errors which are still being corrected.

Any questions regarding your HOVERMC account should be directed to our office, located in the Ocean View Town Center in Ocean View. You may call us at (808) 929-9910, or toll-free at 1-866-241-7294. Office hours are 7:30 to 4:30, Monday through Thursday. The office is closed to the general public on Fridays.

July 15, 2004

Hawaiian Ocean View Estates (HOVE) Road Maintenance Corporation is seeking nominees to serve on the Board of Directors. Board Members are elected to three year terms at the annual meeting held in October of each year. The Board, which can have up to eleven members, currently has only six.

Prospective nominees must own property in HOVE, and have ten sig-

natures of other HOVE property owners to support their nomination. You may file the necessary forms at our Ocean View office before August 13th, 2004, including a paragraph about yourself and your qualifications, which will be published in the annual newsletter.

HOVERMC is also seeking people to serve on task forces and short term committees. Volunteers will be

expected to attend three to six meetings over a period of six to twelve months. These groups will be covering a variety of issues including by-laws, signage, community communications, maintenance procedures and road markings. Persons interested in these issues and willing to contribute a few hours to the community should contact the HOVERMC office at 929-9910.

— ATTENTION ALL PROPERTY OWNERS! —
THE HOVERMC ANNUAL MEETING
WILL BE HELD ON OCTOBER 9, 2004!!
at the OVCA Community Center, from 10:00 am to 2:00 pm.

Be There or Be ... (well, someplace else, we'd guess ...)

Statement Date: 08/24/04

STATEMENT

H.O.V.E. ROAD MAINTENANCE CORP.
 P.O. BOX 6227 OCEAN VIEW, HI 96737
 (808) 929-9910 FAX (808) 929-9623

- (1) Amount Due: 234.30
- (2) Amount Paying: _____
Check No: _____
- (3) Payment Due: 03/31/05
Make Checks payable to: HOVE RMC

(4) RETURN THIS PORTION & PAYMENTS ONLY TO:

H.O.V.E ROAD MAINTENANCE CORP.
 C/O KA'U FEDERAL CREDIT UNION
 P.O. BOX 960
 NA'ALEHU, HI 96772-0960

(5) PAY BY CREDIT CARD: Type: ___ Visa ___ Mastercard

Card No: _____

Exp: ___/___/___ Phone: (____) _____ - _____

Signature: _____

(6) Customer Number: **BURNS20**
 SAMPLE, HOVE RMC
 PO BOX 6227
 Ocean View, HI 96737

(7) ADDRESS CHANGE:

City _____ St _____ Zip _____

----- CUT ALONG LINE AND RETURN UPPER PORTION WITH PAYMENT IN RETURN ENVELOPE -----

H.O.V.E. RMC - PO BOX 6227 OCEAN VIEW, HI 96737 - 808-929-9910 or FAX 808-929-9623

DATE	INVOICE NO.	TMK - DESCRIPTION	CHARGE	CREDIT	BALANCE
01/25/99	9901214-IN	75037	95.00		95.00
12/14/00		PAYMENT REF: 7440		95.00	0.00
01/25/00	0001222-IN	75037	95.00		95.00
04/10/00		PAYMENT REF: 7099		78.00	17.00
01/26/01	0101249-IN	75037	95.00		95.00
01/30/02	0201256-IN	75037	101.00		101.00
12/31/02	DEC2742-FC	FINANCE CHARGE	19.17		19.17
01/28/03	JAN0267-FC	FINANCE CHARGE	2.13		2.13

LEGEND TO YOUR NEW STATEMENT

- (1) Amount that you owe
- (2) Amount that you are paying-please include a check number
- (3) Assessments are due by March 31, 2005
- (4) Return the upper portion of this statement with payments only to this address
- (5) Make a credit card payment here
- (6) Your customer number-please put this number on your check
- (7) Make your address changes here

Customer Number: **BURNS20** **TOTAL** 234.30

CURRENT	30 DAYS	60 DAYS	90 DAYS	999 DAYS	BALANCE DUE
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0.00	0.00	0.00	122.30	112.00	234.30
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ASSESSMENTS ARE DUE BY MARCH 31, 2005.

The 2005 Budget

	2003	2004	2004	2005
OPERATIONAL EXPENSES	ACTUAL	BUDGET	ACTUAL 6/30/04	BUDGET
MATERIALS CHIP & BASE	21,225	79,000	6,391	79,000
MATERIALS FOG & ROAD OIL	183,837	207,000	42,744	207,000
DELIVERY & AUTO REMOVAL	-	100	151	400
TELEPHONE (BASE & OFFICE)	3,446	2,600	2,083	4,500
FUEL	18,598	23,000	9,648	25,000
WATER	-	500	-	100
TIRES	2,304	13,000	5,413	10,000
EQUIPMENT REPAIR-PARTS & LABOR	26,703	40,000	15,284	40,000
TRAFFIC SIGNS POLES & PAINT	-	17,000	6,731	17,000
BASEYARD UPKEEP & SUPPLIES	4,326	3,000	1,670	6,000
ELECTRIC (BASE & OFFICE)	2,863	2,300	1,695	4,000
TOOLS	317	1,100	-	500
LICENSING	2,204	1,400	1,150	2,000
TRUCK & EQUIPMENT INSURANCE	8,750	14,300	8,687	9,000
PAYROLL & RELATED EXPENSES	287,779	302,100	175,742	357,100
CONTRACT LABOR	1,939	5,700	3,382	2,000
INCENTIVE & CLOTHING ALLOWANCE	2,600	3,500	-	4,000
TOTAL OPERATING EXPENSES	\$ 566,892	\$ 715,600	\$ 280,770	\$ 767,600
ADMINISTRATIVE EXPENSES				
TAXES/DUES/FEES/PENALTIES	390	2,000	900	1,400
INSURANCE-LIABILITY	37,024	28,500	37,911	39,900
BANK SERVICE FEE	1,610	2,600	5,293	3,500
LEIN PROCESSING EXPENSE	25		2,415	5,000
OFFICE RENT	11,840	9,500	3,387	11,000
PRINTING	2,777	2,000	780	3,000
SUPPLIES	4,705	1,700	2,276	3,500
TRAVEL	-	600	-	
POSTAGE	11,313	11,400	6,532	9,000
ADVERTISING	555	300	666	600
PROFESSIONAL SERV./Legal,Acct.,etc.	8,533	12,900	2,652	100,000
OFFICE EQUIPMENT EXPENSE	655	2,800	2,280	5,200
MISCELLANEOUS EXPENSES	792	1,100	-	250
TOTAL ADMINISTRATIVE EXPENSE	\$ 80,219	\$ 75,400	\$ 65,090	\$ 182,350
PLUS CAPITAL IMPROVEMENTS	\$ 172,029		\$ 2,600	\$ 100,000
TOTAL BUDGET	\$ 819,139	\$ 791,000	\$ 348,460	\$ 1,049,950
THE ASSESSMENT FOR 2005 WILL BE \$85/LOT.				

The Voices on the Line ...

Meet Our Office Staff!

Office Manager Meleana Smith:



Meleana grew up in Ocean View, and remembers when the trees were many, the residents were few, and the roads were really, really bad! She attended Kamehameha Schools, Ka'u High and Hawai'i Community College, where she is majoring in Business Administration. As a lifetime resident, she has a unique perspective on the strengths and weaknesses of our community, and knows the people and the problems we face. She has an excellent working relationship with the Road Crew, the Board and the other office staff, all of whom respect her uncanny ability to do twelve things at once. Mele's strengths include her bookkeeping and managerial skills, her computer knowledge, and her positive, can-do attitude. She has done much to turn the office around and shape it into an efficient, working unit.

Secretary/Receptionist Teddi Stransky:

Teddi is the office's "research guru." She first came to Hawai'i in 1986, and thence to Ocean View in 1989. She attended school on the mainland, and majored in Computer Science at Wichita State University. Teddi's working career has included positions ranging from livestock wrangler to software designer. A friendly person, she enjoys meeting and greeting the property owners and helping them find the information they need about their properties, the subdivision and the Big Island. Teddi is also a Notary Public, and provides Notary services to the businesses and residents of Ocean View and the surrounding area. Her strengths include research, language skills and computer savvy, strong office abilities and a warped sense of humor, which helps keep the office smiling even on tough days. (She also puts out the "almost daily" **Teddi's Humor List**, teddi@book-reader.net).



Office Assistant Kristyn Haina:



Kristyn is another life-long Ocean View inhabitant ... she came here from California at the tender age of three! Kris attended Na'alehu Elementary and Ka'u High, and seems to know everyone in Ocean View on a first-name basis; small wonder, since she spent many years working here at the Post Office. She has good computer skills and is invaluable in helping to research and verify account information for property owners; she also does much of the data input and handles ownership changes and filing. Although Kristyn works here on a part-time basis, she is an integral part of the office staff and seems to be at her desk almost as many hours as Mele and Teddi. Her cheerful attitude and outstanding work ethic make her a valuable addition to our office staff.

Abandoned Vehicles - Hawaii's Ugliest Problem

Abandoned Vehicles are a problem demanding more and more attention throughout the State. According to state law, any vehicle left unlawfully parked on any public highway or other public or private property without authorization of the owner or occupant of the property, and unattended for a continuous period of more than twenty-four (24) hours, is considered "abandoned."

Many people, especially those who do not understand the laws governing abandoned vehicles, think that HOVERMC is responsible for the removal of junk cars left on the roads or on private property. The Road Maintenance Corporation was established by the court to build and maintain the roads; that is the limit of what we are allowed to do as a 501 (c) (4) nonprofit corporation. We hate the junk cars cluttering up our home as much as anyone, but the truth is, HOVERMC cannot legally move a vehicle unless it is a safety issue on the roadway. Even then we are only allowed to push it onto the easement to prevent it blocking the road. Furthermore, the law and our own bylaws prevent us from entering private property, even if the property owner demands it.

HOVERMC has recently been in contact with the County Hazardous Waste Division, and we have learned the following: For cars that are left within the roadway easements of HOVE, the police department must be notified so that they can come up and tag the vehicles as abandoned. Once tagged, the Hazardous Waste Division will come in to inspect the vehicle, and then hire a private towing company to remove it. The towing company will then try to identify and contact the registered owner of the vehicle in writ-

ing. If the vehicle is not recovered within thirty-days (30) of the written notice, it will be sold or disposed of as junk. A fine of \$1000 will be issued to the registered owner.

Abandoned vehicles on private property are handled a little differently. The police department still must be notified so that they can tag the vehicles. The vehicle may be towed away at the expense of the owner of the vehicle, by order of the owner or person in charge of the property, *provided that there is a notice prohibiting the parking of vehicles on the property without authorization.* If no notice is posted, the expense of the towing fees falls on the owner of the property.



The owner of the property may get information on the registered owner of the vehicle(s) from the Police Department or the Hazardous Waste Division. With this information the property owner can then contact the registered owner (in writing) and take legal action against him. You may be able to collect the towing fees, legal fees and any other reasonable charges that you have incurred due to the vehicle being abandoned on your private property, along with a \$1000 fine imposed by the court.

If you own a vehicle licensed in the County of Hawaii, part of your vehicle licensing fee has been designated for removing abandoned vehicles (\$12.00). This fund is controlled by the Mayor's Environmental Management Department. Approximately \$1,716,200.00 per year is expended trying to control the abandoned

vehicle problem. ONE THIRD of this money is spent in Ka'u alone. Because of its sparse population, Ka'u has become a dumping ground, and HOVE, particularly the upper parts where there is little or no traffic, is a convenient place for dumpers to function. We, as a community and as a County, are facing a big problem, not only cosmetic, but also as an environmental issue. If we do not face this problem and work together to control it, the lot owners of HOVE may suffer even more, when we find ourselves involved with the Environmental Protection Agency (EPA) due to hazardous fluids seeping from abandoned vehicles into the ground.

We all need to take pride in our home, and take charge to clean up our subdivision. Our properties are zoned Agricultural, so by County ordinance if more than three (3) inoperative vehicles are left on private property, the owner of the property may be fined. By State law, if you have more than twenty-five (25) vehicles on your property, you could be fined. If you see someone dumping vehicles, get as much information as you can and call the Police at 935-3311; if you know someone who is dumping vehicles, you can report it to the same number. You do not have to identify yourself.

All State issues may be found in Hawaii Revised Statute 290; you can get a copy online at <http://www.state.hi.us/dot/highways/adminrules/290TXT.HTM>. If you see any newly-abandoned vehicles, please report them to the police department. If they are blocking the roadway, please report them to us at 929-9910. Our property values will rise and we will become a more welcoming community when we get rid of the junk car mess.

Prospective Board Members

Jeri Dickson *(currently serving as Interim Secretary of the Board)*

I retired from the Boeing Company after 38 years of administrative service. Primarily I worked liaison positions between the Department of Defense and Boeing, in support of military programs.

I have been a property owner here in Ocean View since March 1991, and after retirement I moved here permanently in March 2000. I am an active member of the Ocean View Evangelical Church and various community clubs and organizations.

Loren Heck *(former Board Member and Interim President 2003)*

Ocean View resident for 15 years. Owner/operator of New Fields nursery and protea farm. Advertising, product, and portrait photographer.

Organizations: Past President of OVCA and HOVE Road Maintenance Corp. Current President of Big Island Protea Growers. Current Board Member Department of Water Supply County of Hawaii and Ocean View Community Development Corp. Member Ocean View Neighborhood Watch.

I've learned from my experiences with organizations that I have the ability to listen to various points of view, consider the options, and work with fellow board members to reach workable solutions. If elected to the position of board member of the HOVE Road Maint. Corp., I will participate in the management and policy making necessary to maintain our roads.

Gary Hughes

Born and raised in Anchorage, Alaska, Gary went south to start his career as a heavy equipment operator with his father in Texas, Louisiana, Mississippi and Florida. After his apprenticeship he moved back to Alaska and joined the International Union of Operating Engineers Local 302, of which he has been a member for 24 years. He was involved in the shaping a building of many roads, and various other projects throughout Alaska. He transferred his Union Card to Local 3 in Hawaii four years ago. He has since worked for Kiewit and Goodfellows on the King Kamehameha School and the Hokulia project. Currently he is working on the Saddle Road project.

STOP Speed Limit – 25mph STOP

The speed limit on Ocean View roads is 25 mph. It's posted everywhere; there are large signs at the bottom of each road that intersects the highway, and speed limit signs along the roads and boulevards in the subdivision. Unfortunately, some folks don't think the signs apply to them. Trust us, those signs are there for your safety!!

There are many dangerous roads and intersections in Ocean View, due to the nature of the land we live on. Stop signs are placed for your protection, not just as roadside ornaments. A cliff of solid blue rock is pretty hard to see through, and if you whiz through that intersection at the same time someone else decides to whiz through a stop sign, you could both be the losers. Traveling our roads at 25 mph is always the safest way; it gives you time to observe what's coming up, and make decisions that could avert a life-threatening accident.

As the population in our subdivision grows and traffic increases, it becomes more and more likely that you could be involved in an accident. More families with young children are coming into the subdivision as well, and we need to watch out for the kids. PLEASE, for your own sake and that of your neighbors, stick with the speed limit, stop at Stop signs, use caution at intersections, and stay on the right side of the road!

Caveat Emptor!

“Buyers Beware.”

All assessments and liens stay with the property. If you are thinking of buying more property here, whether it be through tax or other auction or through personal sale, **make sure the property has been researched** and there are no liens or balances due. Our office will be happy to help you with this information. We cannot remove liens until they have been satisfied. Copies of our bylaws are also free for the asking. Come in to the office to pick up a copy, or we can mail one to you on request.

ON THE REVERSE SIDE OF THIS PAGE YOU WILL FIND YOUR BALLOT.

It is important that you vote on the issues included; it is your opportunity to be counted and express your thoughts.

PLEASE FOLD AND MAIL THIS ENTIRE PAGE, **including the attached mailing label***, to the address printed below. To be counted, **your vote must be received no later than September 30th**, as the annual meeting is on October 9th. (Allow 6 days mailing time from the mainland.)

* The mailing label has a number in the lower left corner which represents the number of lots owned; you have one vote per lot, per prospective board member ... you may split your votes however you wish. Consolidated lots have one vote, regardless of acreage. Do not alter the number on your label; if it is missing or defaced your vote will not be accepted by the League of Women Voters.

If this number is incorrect, please call us toll-free at 1-866-241-7294. We will investigate the discrepancy and make sure it is corrected before next year's ballot.

----- FOLD -----

First Class Postage Required

**KONA LEAGUE OF WOMEN VOTERS
P.O. Box 4478
KAILUA-KONA, HI 96745-4478**

PLEASE TAPE OR STAPLE ONLY ONCE.

----- FOLD -----

HOVE ROAD MAINTENANCE • 2005 BALLOT

I approve the year 2005 budget and road plan, and an assessment of \$85 per lot.

_____ YES

_____ NO

New Board Members (each lot may vote for 3 members or less)

_____ Jeri Dickson

_____ Loren Heck

_____ Gary Hughes

COMMENTS AND SUGGESTIONS:

HOVE ROAD MAINTENANCE

P.O. Box 6227

Ocean View, Hawaii 96737

RETURN SERVICE REQUESTED



Annual Newsletter

A Letter from the President

Ocean View is experiencing rapid population growth. You may wonder how this affects us. It means more work for RMC, whether in the office or on the roads.

The office is processing 4 to 10 escrow demands every day, which means that 20 to 50 properties are changing hands every week. Although many buyers are investors, a considerable percentage of these lots are being built on, with a large percentage legally permitted. More people means more vehicles, more traffic, more work for us and more reason for us to focus on safety issues.

Our property values have skyrocketed. We have more value in our investment. We know that the health of our Corporation is important to retain this value. We must maintain our roads to the highest standard our budget can support and still try to keep our assessments reasonable.

There are 157 miles of roads in this subdivision (in a straight line this would be halfway around this island). There are 646 intersections. Intersections mean signage, whether it be to replace street name signs that have lost their glow many years ago, or control signs. Our proposed budget for 2006 contains more than a 100% increase for street signs, poles and paint. We have started to designate children play areas, school bus stops, crosswalks, etc. All of this sounds good but it only will work if it is enforced. Our newly rebuilt roads are wider and safer, but it is also an invitation to speed, which is not safer. Speed tears up our roads as well as putting other drivers at risk.

A vigorous effort by local residents, backed by the RMC, has resulted in enforcement efforts by both the police and the courts. Fines and convictions are finally being addressed. However, it's hard to break the habits of decades. The roads are good, the signage meets and in many cases exceeds County standards, but we need cooperation from residents to ensure safety. More young families with children are moving in and kids don't always remember to watch for traffic when they play. The potential for tragedy is increasing and our drivers in this community needs to be aware of the dangers.

The encroachment safety issue will always be here. As we rebuild our roads we must recognize the 40-foot setbacks for lanes and roads, and 60-foot setbacks for boulevards and parkways, as designated in our by-laws. We have again printed in the newsletter (page 9) the setback measurement drawing for your information, and our road crew will help you understand them if there is question. There will still be spot surveying in questionable areas. Trees and lava walls can become big obstacles that won't move when they get in the way of an automobile.

Please, obey the speed limit, stop at marked intersections, and be more aware of the people and traffic moving around you. Encourage your friends and neighbors to do the same. Together we can make this subdivision of Ocean View a safer and even more wonderful place to live. Mahalo!

Board of Directors

Officers:

- President: Sandra Shaw McDaniel
- Vice President: Merle Martin
- Treasurer: Bob Armstrong
- Secretary: Loren Heck

Candidates: Eleanor Shannon, Randy VanLeeuwen, Jimmy Yocom

Where to Find Us

Our business office is in the
 Ocean View Town Center
 P.O. Box 6227, Ocean View, HI 96737
 Phone: (808) 929-9910 Fax: (808) 929-9623
 Toll-free Number: 1-866-241-7294
 Online: <http://hoveroad.com>
 e-mail: office@hoveroad.com

HOVERMC Office Report

by Meleana Smith

Aloha Members,

Welcome to another year with HOVE Road Maintenance Corporation. I want to thank you all for your patience and understanding in the re-organization of the Road Maintenance office.

The office is organized and has procedures set in place to assure efficiency and consistency. Our staff has worked long and hard to correct past years mistakes and we are proud to announce that the office is running properly. If you are still having problems with your billing, please contact the road maintenance office immediately. We are more than happy to help solve the problem.

There are a few things that you still need to remember. If you have not been paying your road assessments a lien can and will be placed on your property. If you have made payment arrangements with us but have failed to pay on a regular basis, a lien will be placed on your property. If you cannot afford to pay the past due road maintenance

assessment in full, then you are welcome to call us to set up arrangements to pay. All finance charges are placed at the end of the year, at 12% on the past due only.

We are also in the process of re-numbering customer accounts. Some of you have already been switched over to the new "TMK" number system. This means that your account number is the Plat and Parcel number of your lot. For example, if your property Tax Map Key (TMK) is 3/9-2-002-001, your customer number will read "0020010." This will allow us to track your account better and/or eliminate any double billing. In the case of your lots being consolidated, your customer number will read "002001C," the "C" indicating a consolidation. If your account has not been switched over to the new customer number, it is either because your account still has a balance or is in the process of being switched over. Please remember that we are handling approximately 11,500 lots in HOVE. This process should take us another year.

The office has also been handling a lot of ownership changes. Remember to avoid any problems with selling your property by going through an escrow company. If you have sold your property through other means, **you still need to notify us of the change.** There is a **transfer fee of \$25.00 per lot; please send a copy of the recorded deed** along with your payment. This will ensure that the property transfers properly in our system to the new owner(s).

Other accomplishments from our staff include the beginning of the independent audit for years 2002 & 2003, the collections on past due accounts and the redesign of forms and procedures. It has been a tremendous amount of work, but due to the abilities of our friendly office staff we were able to deal with each issue as it occurred. Mahalo for another great year.

ATTENTION PROPERTY OWNERS!

THE HOVERMC ANNUAL MEETING

WILL BE HELD

ON OCTOBER 8, 2005!!

**at the OVCA Community Center, on
Leilani Circle, from 10:00 am to noon.**

Aloha Merle!

We would all like to take this opportunity to say *Aloha* to Merle Martin, who will not be continuing on the Board of Directors. Merle has been on the board longer than any other member, and has stuck with us through the bad times and the good. His wisdom and persistence have been of immense value, and we will miss him. Thank you, Merle, for giving so much of your time in helping make this a better organization!

*The Board, Crew & Office Staff of
HOVE RMC*

The 2006 Budget

	2004	2005	2005	2006
	ACTUAL	BUDGET	Actual 5/31/05	BUDGET
OPERATING EXPENSES				
ANNUITY EXPENSE	5,635.18	4,500.00	2,375.80	6,500.00
CLOTHING ALLOWANCE/INCENTIVE	-	4,000.00		-
DELIVERY	2,197.44	400.00	302.66	500.00
EMPLOYEE CERTIFICATION	173.75	300.00	40.00	250.00
EQUIPMENT REPAIR-PARTS/LABOR	25,448.42	40,000.00	17,827.60	40,000.00
FUEL, DIESEL, LUB & OIL	20,049.04	25,000.00	11,468.08	28,000.00
FREIGHT EXPENSE	16,000.00		16,700.00	5,000.00
INSURANCE-EMPLOYER CONTRIBUTION MEDICAL	31,944.58	39,000.00	12,632.85	40,000.00
INSURANCE-TDI	892.00	1,000.00	1,358.00	3,000.00
INSURANCE WORKER'S COMPENSATION	16,969.00	27,000.00	11,004.00	27,000.00
LABOR-OFFICE	63,571.13	65,000.00	31,206.31	75,000.00
LABOR-ROAD CREW	218,856.76	200,000.00	89,993.93	250,000.00
MATERIALS-CHIP & BASE	28,297.57	79,000.00	28,764.51	110,000.00
MATERIALS-FOG & ROAD OIL	126,084.37	207,000.00	68,347.98	230,000.00
PAYROLL TAX EXPENSE	23,528.87	20,000.00	13,547.41	33,000.00
PHYSICAL/DRUG TESTING	218.75	300.00	265.62	300.00
SUPPLIES EXPENSE-BASEYARD UPKEEP	3,069.31	6,000.00	3,821.96	9,000.00
TIRES	7,909.60	10,000.00	4,799.73	10,000.00
TOOLS EXPENSE	346.41	500.00		500.00
TRAFFIC SIGNS, POLES & PIANT	13,071.95	17,000.00	13,980.38	33,000.00
VEHICLE LICENSING	1,981.69	2,000.00	1,023.85	2,100.00
WATER HAULING	599.70	100.00	696.30	1,500.00
TOTAL OPERATING EXPENSES	\$ 606,845.52	\$ 748,100.00	\$ 330,156.97	\$ 904,650.00
ADMINISTRATIVE EXPENSES				
ADVERTISING EXPENSE	1,969.75	600.00	2,849.17	6,000.00
BANK SERVICE FEE	7,415.01	3,500.00	1,212.17	3,500.00
COMPUTER EXPENSE	370.62	400.00	1,800.72	4,000.00
CONTRACT LABOR	3,731.75	2,000.00	5,542.11	13,000.00
COPY EXPENSE	154.50	300.00		300.00
EQUIPMENT LEASE EXPENCE	3,950.43	4,000.00	1,995.06	4,000.00
INSURANCE-AUTO	8,687.00	9,000.00	8,533.00	9,000.00
INSURANCE-COMMERCIAL EXCESS LIABILITY	5,850.00	5,500.00	12,718.00	13,000.00
INSURANCE-COMMERCIAL GENERAL LIABILITY	25,064.21	25,000.00	23,017.60	25,000.00
INSURANCE-COMMERCIAL PROPERTY	885.22	1,000.00		1,000.00
INSURANCE-DIRECTORS & OFFICERS LIABILITY	1,725.00	500.00		2,000.00
INSURANCE-EMPLOYEE BONDING	877.00	900.00		900.00
INSURANCE-EQUIPMENT FLOATER	6,392.00	7,000.00	10,011.00	11,000.00
LEIN PROCESSING EXPENSE	11,860.90	5,000.00	1,500.00	5,000.00
MISCELLANEOUS EXPENSE	202.41	250.00	1,412.00	2,000.00
OFFICE EQUIPMENT EXPENSE	136.23	500.00		-
OFFICE RENT	10,141.64	11,000.00	4,302.87	11,500.00
OFFICE SUPPLIES EXPENSE	4,530.68	3,500.00	2,619.53	6,000.00
PAYROLL SERVICE EXPENSE	949.20		137.01	1,200.00
POSTAGE EXPENSE	12,776.08	9,000.00	5,016.99	12,000.00
PRINTING EXPENSE	3,728.24	3,000.00	1,796.88	4,000.00
PROFESSIONAL SERVICES (LEGAL, ACCOUNTING, ETC.)	28,145.06	100,000.00	8,923.40	50,000.00
PROPERTY TAX EXPENSE	1,087.10			1,000.00
SUBSCRIPTION/MEMBERSHIP FEES	994.22	1,000.00	276.28	500.00
TAXES/DUES/FEES/PENALTIES	98.32	400.00	3,120.00	400.00
TELEPHONE EXPENSE	4,713.39	4,500.00	1,954.05	4,500.00
UTILITIES-ELECTRIC (SHOP & OFFICE)	3,338.91	4,000.00	1,387.86	4,000.00
TOTAL ADMINISTRATIVE EXPENSES	\$ 149,774.87	\$ 201,850.00	\$ 100,125.70	\$ 194,800.00
CAPITAL IMPROVEMENTS				
REAL ESTATE		100,000.00		100,000.00
EQUIPMENT	309,147.41		37,000.00	
TOTAL CAPITAL IMPROVEMENTS	\$ 309,147.41	\$ 100,000.00	\$ 37,000.00	\$ 100,000.00
TOTAL FUNDS SPENT/BUDGETED	\$ 1,065,767.80	\$ 1,049,950.00	\$ 467,282.67	\$ 1,199,450.00
THE ASSESSMENT FOR 2006 WILL BE \$80/ LOT.				

Frequently Asked Questions

Who are we, and why do we assess for road maintenance?

We are the Hawaiian Ocean View Estates Road Maintenance Corporation, known as “The RMC”. We’re a 501(c)4 non-profit corporation, established by the courts in the mid-1980s to rebuild, maintain and improve the 157 miles of road in the subdivision. Since we are not State- or County-supported, property owners are mandated to pay a yearly assessment per lot. The roads belong to all who live or own property here; we are simply the custodians.

Will the assessments go up in 2006?

No; in fact, they are going DOWN to \$80.00.

Are ALL the roads in Ocean View paved?

Yes, they are, every single one, all the way to the top!

What is my property worth?

We are not in a position to know the value of your property; while we see the lots changing hands, we do not see the prices paid. You would be much better off to ask one of our local realtors.

If I call, will you give me information about my property?

We’ll be happy to give you any information we can. We can tell you the location of your property, and send you a TMK and street map. We can give you a lot of information on the community and lifestyle. We can give you an “educated guess” as to the terrain in your area, based on topo maps. We can *not* be very specific as to the features of your lot.

Can you send me photos of my property?

We’re sorry, but we can’t. There are 11,500 lots in Ocean View, and we do not have the time or the personnel available to search out a specific lot and take photos.

Will you ‘do’ my driveway?

No; we are not allowed to contract out our employees or equipment for private use.

Do you remove abandoned vehicles from the subdivision?

In short, no. We are not allowed to do so; in fact, County rules forbid us to touch them at all unless they are actually causing a hazard on the roadway, in which case we are allowed to move them only far enough to clear the pavement. Our own bylaws restrict us from any activity on private property, even if invited or requested by the landowner. Our office is active in reporting AVs to the police and to the Solid Waste Division; we regularly jog the elbows of County and State authorities to encourage their timely response. However, abandoned vehicles are a County-wide and State-wide problem of ever-increasing proportions. The County has removed many of the AVs in Ocean View; however, more are dumped all the time, and even brought in from other areas of the Big Island. It’s an ongoing issue.

What can I do about abandoned vehicles?

The first step is: help stop the dumping! If your vehicle dies, you will quickly learn that it’s a difficult thing to get rid of. That’s why so many of them get dumped in out-of-the-way spots. Having them towed to the proper disposal place can be time-consuming and

expensive. Encourage your legislators, both County and State, to support regulations that will encourage the proper handling and recycling of defunct vehicles, and allocate State and County funds to alleviate the financial burden of proper disposal.

In the shorter term, report any newly-abandoned vehicles to us, or directly to the police at (808) 935-3311. Unreported vehicles will never be removed. If you want more information, you can call the County Solid Waste Division at (808) 961-8339. If you see someone hauling a junker into the subdivision or abandoning one on our roads, PLEASE call the police at the number above to report it.

How can I prevent dumping on my property?

First, if you are not yet ready to build, don’t bulldoze or put in a driveway. Dumpers look for remote areas and easy access, and an overgrown driveway is an open invitation. If you have a driveway into undeveloped property, chain it or put up a fence. If you have neighbors, give them your phone number and ask them to keep an open eye. Please don’t ask the Neighborhood Watch to keep a constant eye on your lot ... with 11,500 acres out here, they have enough patrolling to do!

What are the setbacks for the road?

If you’re putting up a fence or wall, or planting along the edge of your property, you should know the setbacks to avoid problems later on. Setbacks vary depending on the type of street you live on. For the smaller streets (Lanes and Drives) the setback is 20 feet from the *center* of the roadway (40 feet road width). On main streets (Boulevards and

Continued on Next Page

FAQs ... continued

Parkways) it's 30 feet from the center (60 feet road width).

Where is the center of the roadway?

The area reserved for roadway is often larger than the currently-paved road. Because of this, the pavement may not be exactly centered in the roadway. What to do? Check the two nearest intersections; you will find an inset pin somewhere near the center of each. By lining up those two pins, you can tell where the center of the surveyed roadway lies.

What are the County setbacks for building?

For a permanent structure, the WALLS of the building need to be a minimum of 30 feet inside your property lines at the front and back, and 20 feet from the property lines on each side. This is also true for catchment tanks. Ocean View was originally surveyed over 50 years ago ... if you can't find your lot pins, we *highly* recommend hiring a pinfinder or licensed surveyor. There have been cases where a house or water tank turned out to be partially (or wholly!) on a neighbor's lot; it can cause a lot of *pilikia* (problems). For more information, contact the County of Hawaii Planning Department at (808) 961-6288.

When will Ocean View get a well?

According to Representative Robert Herkes, the State has allocated six million dollars for both exploratory and production wells in Ocean View. Currently they are considering a location near Kahuku Park (on Paradise Parkway in HOVE). Mayor Kim, Rep. Herkes, Sen. Kokubun and the DWS Director Milton Pavao have met to discuss management and budget allocation. All of the State funds are to go toward a "water system in Ocean

View." For updates you can contact Rep. Herkes' office at (808) 974-4000, x-68400, or you may e-mail his office at repherkes@capitol.hawaii.gov.

There is no connection between this effort and the USGS test well currently being drilled near the highway in Ranchos subdivision. While that will be a useful source of information regarding water quality and depth, it is a separate project.

Is there a Fire Station in Ocean View?

Yes there is ... the community built it, and it is staffed by trained volunteers. The Fire Station also houses our own ambulance, and two trained EMTs are on site 24 hours a day.

What about Hospitals?

There are two hospitals, both about 35 miles away. Kona Hospital is in Kealahou; Ka'u Hospital is in Pahala.

NOTICE Our E-mail Address Has Changed

Our new
HOVE Office
e-mail address is:
office@hoveroad.com

Does Ocean View have any churches?

There are five denominations holding services in Ocean View: Divine Faith Ministries, Kahuku Congregational, Ocean View Evangelical, Ocean View Church of Christ, and St. Jude's Episcopal Church. Catholic, Methodist, Assembly of God, Seventh Day Adventist and Latter Day Saints churches are also located in Na'alehu (15 miles away).

Are there schools in HOVE?

We do not yet have schools within the subdivision. Our gradeschoolers attend Na'alehu School, and high-schoolers go to Ka'u High in Pahala.

Are cable TV, cell phone and broadband internet access available?

There is no cable television out here. Most residents have satellite TV through Dish Network. We have a retailer/installer who lives here, so it's easy to set up. We also have two broadband internet providers in the area, and a T-Mobile cell tower in the upper part of the subdivision which reaches most areas. Other cell phones have only limited access at this time.

Does the RMC install electric or phone service to my lot?

No, that's not what we do. You will need to contact Hawaii Electric (HELCO) at 808-969-0365, and Hawaiian TelCom at 808-643-3311 for those services.

Where do I find out about businesses in Ocean View?

You are encouraged to visit the Ocean View Chamber of Commerce website at <http://ovchamber.com>; it is very informative.

HOVERMC 2005 Road Report

This year has been an exciting challenge for our road crew. Since the redevelopment of our office, the new road plan and the new equipment, we are better prepared for the upcoming challenges. Currently this year, we have completed Aloha Boulevard, upgraded Coconut, realigned Coral, added speed bumps and signs at Kahuku Park, and added a four way stop on Lotus Blossom and Princess Kaiulani. The road crew has started on rebuilding King Kamehameha Boulevard. They are continuously handling trouble calls, sweeping, and mowing along the roadsides. We have also patched major areas of need along with painting center and side lines on some of these roadways.

The 2006 Road Plan consists of finishing King Kamehameha, and rebuilding Princess Kaiulani Boulevard and Leilani Parkway, as well as fog sealing and painting parts of the lower half of the subdivision. If you are encroaching onto the roadway on any of these streets we will be working on, please remove the encroachment (rock walls, fence, trees

etc.) right away. We are looking into upgrading the subdivision roadway by lessening the safety issues that have been a problem for years. This of course will take time and we have developed a schedule to start various projects throughout a five-year period based first upon what the major problems are and working our way down to the minor issues. Since safety is a major concern, we ask that you contact the office as soon as possible regarding any minor and/or major problems that you see in your area. This will help both the office and road crew schedule the work to be done in a timely fashion. A road inventory is being done once a year to ensure the accuracy of scheduling.

Abandoned vehicles are also a major problem in HOVE. Numerous property owners have found derelict vehicles left on their lots and along the roadsides. As much as we would like to remove these vehicles, we are bound by law to leave them where they are. The County of Hawaii Solid Waste Division is responsible for the removal of these cars. Our procedure entails calling the

Police Department, who then contacts the County. If you see anyone dumping vehicles, report them to the Police along with a description of the person(s) and vehicle(s). They can be reached by dialing 935-3311.

Our road crew is always out on the roads, so please observe the men working signs. If the road is closed, do not use the road, but find an alternative route for your vehicle. We will not be responsible for those cars damaged by road oil or road paint due to them driving on the road during construction. If you happen to live on the section of the road that is closed, you are allowed to enter this section, but please enter with caution and drive slowly. Please **DO NOT** vandalize our equipment. It will only cost more money from the property owners to replace or fix it. Our equipment is for road use and without it we will not be able to maintain the roadway.

With this, we would like to thank all of you for your patience and understanding. Please drive safely.

Non-profit & Service Organizations

ALL AREA CODES ARE (808)

O V Chamber of Commerce	939-8449
O V Community Development Corp.	929-7089
Community Center (OVCA)	939-7033
Friends of Kahuku Park	939-8491
Neighborhood Watch	929-8784
Senior Assistance	939-8000

Police

Ocean View	939-2515
Na'alehu	939-2520
Ka'u Central Dispatch	935-3311

Hospitals

Ka'u Hospital	928-8331
Family Health Center	929-7311
Kona Hospital	322-9311
Hilo Hospital	974-4700

Schools

Na'alehu	929-7654
Pahala Elementary	928-2093
Ka'u High School	928-2088

Churches

Divine Faith Ministry	929-8359
Kahuku Congregational	929-8630
Ocean View Evangelical	939-9089
OV Church of Christ	939-7452
St. Jude Episcopal	939-7000

County & State Offices

Bureau of Conveyances	587-0138
Street Address info	961-8469
Building Department	327-3560
HI Property Tax Clerical	961-8201
Planning Department	961-8288
Solid Waste Division	961-8339

In Pursuit of Pothole Pacification

So, you're driving along, minding your own business, obeying the speed limit, being a good Ocean View citizen, and suddenly • **WHAM** • the front end of your car drops into a pothole seemingly the size of Kilauea Crater. Who ya gonna call?

Well, after you've finished cursing the Road Maintenance Corporation under your breath (or out loud)...

CALL US, PLEASE!

Like most Ocean View residents, we all drive predictable paths to and from work, the store, and the Post Office. If none of us use your street to get to where we're going, we probably don't know that pothole is there. If no-one reports it, it will just keep getting bigger, deeper and more dangerous. With 157 miles of road in HOVE, we can't check every block on a regular basis. We inventory all the roads annually to find problem areas, but potholes can develop quickly and they just keep growing if they're not repaired. If we are notified about a newborn pothole, we can fix it ... *before* it gets big enough to swallow your Yugo. Help us to help you ... **report potholes and other damage to road surfaces by calling us at 929-9910**. If it's after hours, please leave a message. *Mahalo!!*

A Small Disclaimer

The HOVE Road Maintenance Corporation is not affiliated or connected with The Ocean View Community Association. As a community service, we have inserted their flyer in our newsletter. **Membership in the Community Association is not mandatory for property owners**, nor do annual assessments paid to the RMC support the OVCA in any way.

Joining the OVCA is a good way to participate in your community, get to know your neighbors, and support continuing improvement in the association and its facilities.



Widening shoulders to make the roads safer is part of our job.



The new Etnyre Chip Spreader makes our work more accurate and safer for the crew.

Speed Limit: 25mph

The speed limit on Ocean View roads is **25 mph**, except around the park where it is **15 mph**. The speed limit is posted on the roads; there are even large signs at the bottom of each road that intersects the highway, to alert visitors and residents both.

There are many potentially dangerous roads and intersections in Ocean View, due to the nature of the land we live on. Stop signs are placed for your protection, not just as roadside ornaments. Traveling our roads at 25 mph is the safest way; it gives you time to observe what's coming up, and make decisions that could avert a life-threatening accident.

The population in our subdivision is growing and traffic is increasing. You could be involved in an accident, even if it's not your fault. More families with young children are coming into the subdivision as well, and we need to watch out for the kids. **PLEASE**, stick with the speed limit, stop at Stop signs, always use caution at intersections, and stay on the right side of the road!

Pictures are Worth a Thousand Words...



The self-propelled Etnyre Chip Spreader (see photo page 7) has a hitch on the back; it can tow our dump truck, loaded with blue rock chip, without



Connecting the two big machines ensures a smooth flow of chip into the spreader hopper, and eliminates the dangers of trying to keep them together



Once the surface has been prepared, the oil truck spreads a layer of specially-compounded road oil



The spreader drops an even layer of chip into the fresh oil.



Rolling the fresh chip into the oil makes the surface flatter, harder and more stable.



The final touch will be adding a guard rail to make this stretch of road safer!



Our kids meet the school buses at Princess Kaiulani and Lotus Blossom.. It is now a 4-way stop, with improved markings for the children's safety.



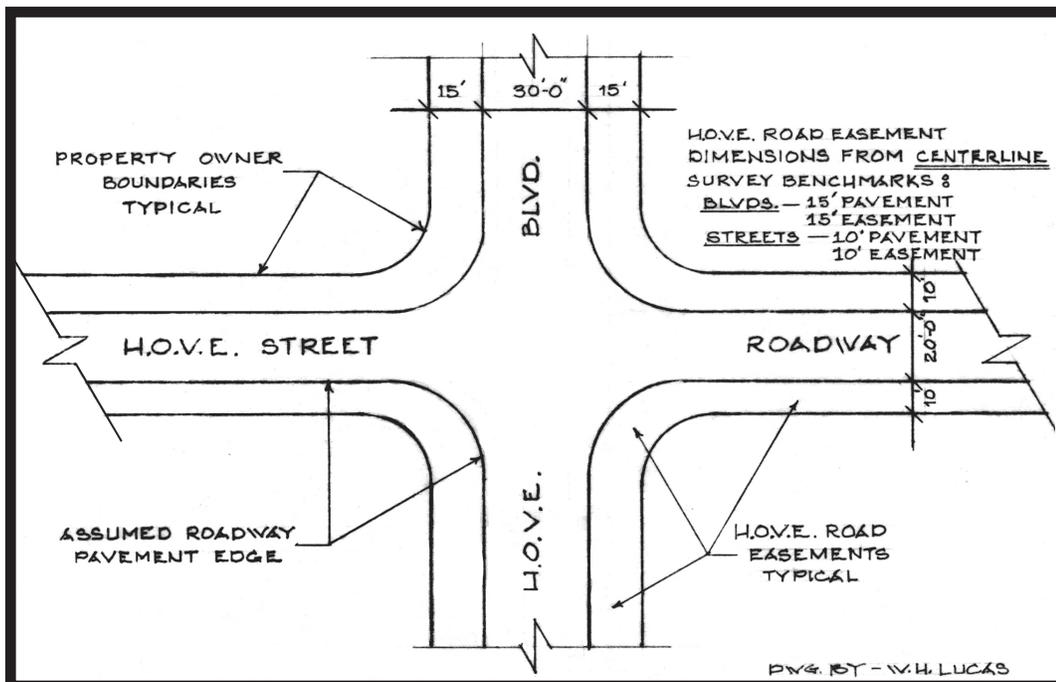
The road past Kabuku Park, with new crosswalk markings, signage and reduced speed limit, as well as a couple of speed bumps to control traffic.



Our Road Maintenance Shop. A steel building will soon be erected to protect machines having onboard computers.



The reconstruction of Aloha Boulevard was completed this year. Early morning commuter traffic packs this road all the way to the highway.



This illustration explains the roadway and easement dimensions on our roads. Please remember that all measurements are made from the center of the actual surveyed roadway. Centerlines may be determined by the pins placed in each intersection. Encroachments cannot be tolerated for safety's sake. If you have questions, please feel free to contact our office by phone, fax or e-mail.

Prospective Board Members

Randy VanLeeuwen

A native of Utah, Randy is an extremist in where he chooses to live. For 5 years he was a resident of Barrow, Alaska, the northern most point of the USA. Now he lives here in Ocean View, in Ka'u, the southernmost district of the USA. In between those extremes, he sailed the South Pacific, crossing more than 30,000 miles of blue water over 11 ½ years and survived living in the desert of Tucson for another 13 years.

Randy is adaptable, culturally sensitive, practical and gets things done. He has applicable experience with heavy equipment from his employment with the North Slope School District in Barrow as a mechanic and for Eskimo's Inc., a heavy equipment contractor. His business experience comes from ownership of two previous businesses in Tucson and now the Leilani Bed & Breakfast here in Ocean View. He is a member of the Ocean View Neighborhood Watch and the Ocean View Chamber of Commerce.

Randy met his wife of 15 years, Lynn, in the South Pacific, in Pago Pago, American Samoa, where they both fell in love with island living. They love the big island of Hawaii and want to see Ocean View flourish with loving care and participation from the community.

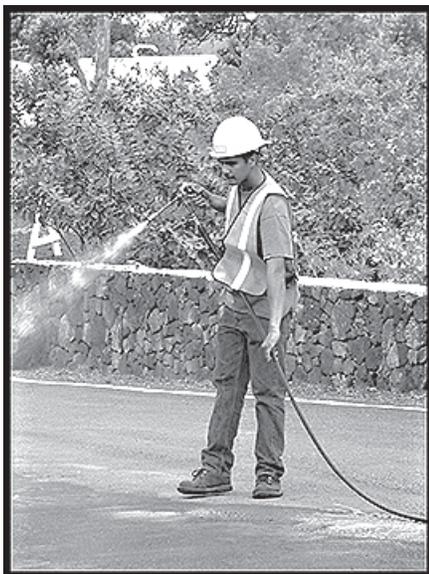
"I am open to the needs of the community to support, maintain and improve the functions of the Hove Road Maintenance Corp. as an important piece of our infrastructure."

Jimmy Yocom

I have lived in Ocean View for the last ten years. I serve on the Water Committee of the Ocean View Community Development Corporation. I retired from Chrysler Corporation where I worked as a Tool and Die Maker. In earlier years I served as President of the P. T. A. and President of the Little League Baseball Organization. I am a Free Mason and Shriner.

Eleanor Shannon

Native of Hawaii, Pearl Harbor survivor, USO Entertainer; retired (30 yrs) Federal Human Resources Manager working in Hawaii, Guam, Japan and Washington DC; Vice President (one yr) Hawaii Chapter, National Association of Retired Federal Employees; Board of Directors Member (3 yrs) for two condominium associations (Hawaii and Washington DC); Big Island Community volunteer (3 yrs each) for United Way, Prosecuting Attorney's Office, Children's Advocacy Center and Jazz Club; owner (15 yrs) and resident (5 yrs) in Ocean View, and, last but not least, single parent of five children.



ON THE REVERSE SIDE OF THIS PAGE YOU WILL FIND YOUR BALLOT.

It is important that you vote on the issues included; it is your opportunity to be counted and express your thoughts.

PLEASE FOLD AND MAIL THIS ENTIRE PAGE, **including the attached mailing label***, to the address printed below. To be counted, **your vote must be received no later than September 30th**, as the annual meeting is on October 8th. (Allow 6 days mailing time from the mainland.)

* The mailing label has a number in the upper left corner which represents the number of lots owned; you have one vote per lot, per prospective board member ... you may split your votes however you wish. Consolidated lots have one vote, regardless of acreage. Do not alter the number on your label; if it is missing or defaced your vote will not be accepted by the League of Women Voters.

If this number is incorrect, please call us toll-free at 1-866-241-7294. We will investigate the discrepancy and make sure it is corrected before next year's ballot.

NOTE: PLEASE DO NOT SEND PAYMENTS TO THE ADDRESS BELOW. USE ONLY FOR VOTING PURPOSES!!

----- FOLD -----

First Class
Postage
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**KONA LEAGUE OF WOMEN VOTERS
P.O. Box 4478
KAILUA-KONA, HI 96745-4478**

PLEASE TAPE OR STAPLE ONLY ONCE.

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HOVE ROAD MAINTENANCE • 2006 BALLOT

I approve the year 2006 budget and road plan, and an assessment of \$80 per lot.

_____ YES

_____ NO

New Board Members (each lot may vote for 3 members or less)

_____ Randy VanLeeuwen

_____ Jimmy Yocom

_____ Eleanor Shannon

COMMENTS AND SUGGESTIONS:

HOVE ROAD MAINTENANCE

P.O. Box 6227

Ocean View, Hawaii 96737

RETURN SERVICE REQUESTED



A Letter from the President



The Board of Directors for HOVERMC once again finds itself shorthanded. Our current elected membership is three, the minimum allowed by our Bylaws, (Article III 3.1). The Board has appointed four additional Board Members to fill the four vacancies occurring this

year. Sandra Shaw-McDaniel (Pres.), Merle Martin (V. Pres.), and Bob Armstrong (Treas.) retired, after jobs well done. They left the Road Corp. in excellent shape after working very hard to overcome the confusion and disarray following the tough issue which arose in 2002. Mahalo for their hard work and dedication through very difficult times.

The fourth elected Board Member to leave us was Jimmy Yocom. His sudden, terminal illness was a shock to all in Ocean View who knew his warm manner and friendship.

I'm asking that you vote in favor of accepting all four prospective Board Members on this 2007 ballot. As appointees, they have already shown their skills and dedication, and have helped your Road Corp. succeed in reaching continued road maintenance excellence.

Past President Sandra Shaw-McDaniel left the Road Corp. only after she helped assure that the chaotic mess in the office was straightened out. Now that the administrative end of the equation is running smoothly, it's a pleasure to make progress with input from a professional office staff managed by our hard working and skilled Administrations and Operations Director, Meleana Smith.

Finally, not enough can be said in appreciation of the one constant which has remained intact and functioning to provide us all with good safe roads. Foreman Mac Kaupu, and "Da crew wit' da view" have always come through; no matter what challenges the vari-

ous Boards throw at them, the Road Crew never falters. Please show them your aloha when you see them working on our roads.

In 2006 we have begun to restructure the Board of Directors. A Corporate Action Plan has been accepted which defines and delegates the objectives and responsibilities of eight committees. Administration includes Bylaws, Budget & Finance, Legal, and Personnel; Operations offers Building and Equipment, Road Maintenance, Membership, and Safety. A Board Member chairs each committee, which meets as needed to discuss relevant issues, and then recommends action to be taken by the Board at the next monthly meeting. This process works best when you, the membership, are involved. Come in or call 929-9910 if you are interested in participating in any of the committees; you do not have to be a member of the Board to participate.

The Personnel Committee has been very busy. We've hired a part-time clerk to help in the office, and moved two part-time employees on the road crew to full-time. While the pay scale for the Road Crew is set by Union contract, we are currently developing an administrative pay scale in the office based on defining position descriptions through "desk audits."

The Safety Committee is also very active, with Chairman Randy Van Leeuwen overseeing progress on many fronts. We have accepted a bid of \$18,500 for a guardrail along Coral Pkwy, and are spending \$21,277 for signage around the subdivision. Recently, it was decided that the Road Corp. will construct safe bus stop areas for the school children, and a protected walkway on Paradise Circle for the safety of pedestrians using Kahuku Park. The most obvious safety improvement this year has been the massive number of abandoned vehicles removed from our streets. Mele Smith, our A & O Director, finally motivated the County to take action. Please call our office if you notice any new AVs appearing on our roads; we can report them and have them

Continued on Page Eleven

Board of Directors

Officers:

- President.....Loren Heck
- 1st VP.....Eleanor Shannon
- 2nd VP.....Randy Van Leeuwen
- Secretary.....Mary Kastle
- Treasurer.....Rell Woodward

Candidates: Mary Kastle, Bill Vinson, Rell Woodward, Ken Wicks

Where to Find Us

Our business office is in the
Ocean View Town Center
 near the Ace Hardware, bottom of Lotus Blossom Lane
 P.O. Box 6227, Ocean View, HI 96737
 Phone: (808) 929-9910 • Fax (808) 929-9623
 Toll-free Phone: 1 (866) 241-7294
 On the Web: <http://www.hoveroad.com>
 E-mail us: office@hoveroad.com

2006-7 Office Report

The office would like to update you on the 2002 & 2003 audit process. Currently, audit tests are being done on both years at a CPA firm in Honolulu named Carr, Gouveia & Associates. The audit is a lengthy process and is being done independently. The Corporation is still using Fiducial, a CPA in Waimea to audit our books monthly and to assist the Corporation in finalizing the yearly taxes.

Ownership Changes Consolidations Address Changes

If you have sold your property, please inform us immediately. Since we have over 11,000 acres to keep track of, it is extremely difficult for us to know if you have sold your property outside of escrow. If you have sold your property and have not gone through an escrow company, we need a copy of the notarized or filed deed to make the transfer. There is a fee of \$25.00 per property for ownership changes. If you have gone through an escrow company or will be using an escrow company, then the escrow company should notify us of the transfer and provide us with the necessary paperwork. If you have consolidated your property or have an address change, please notify us as soon as possible.

Customer Numbers

If it has not already, your customer number will probably change soon. We are currently creating new customer numbers for many accounts. The customer number will reflect the plat and parcel of your Tax Map Key (TMK) number; for example if your TMK number is 3/9-2-002 (plat)-001 (parcel), your customer number would be **0020010**. This allows us to keep track of the properties efficiently, as well as applying the yearly assessments to each property instead of owners.

Payment Arrangements - Avoid 12% Finance Charges!

The RMC office has initiated a payment plan arrangement for the convenience of our past-due members. Signing a Payment Arrangement Agreement will allow the member to make a regular monthly payment on their road assessment, and thereby incur only a \$10.00 late fee (per property) at the end of the year, instead of being charged a 12% finance charge on the entire past due amount. This can be a huge savings for those who have fallen behind. Payments must be consistent or a lien will be placed on the property. Default on the payment plan, or no payment at all, will cause lien property to be added to our foreclosure list, as provided for by the Corporation Articles & Bylaws 5.11.

To pay your road assessments we accept check, money order or Visa/MasterCard. You may send your payment by mail to HOVE RMC, PO Box 6227, Ocean View, HI 96737 or call us with a credit card payment at 808-929-9910 or toll free at 866-241-7294. You may also go to our website at hoveroad.com to make a credit card payment on-line.

Liens and Foreclosures

The Corporation has the right to lien and foreclose on property in default of road maintenance assessments. Corporation Articles and Bylaws indicate that if the road maintenance assessment is delinquent, the Corporation has the right to lien the property sixty (60) days following the date of delinquency. One year after the lien has been placed, the Corporation has the right to foreclose on the property.

The office is currently researching foreclosure of properties through the Corporation lawyer. The Corporation is establishing a procedure and defining criteria for foreclosure. We

have already established a list of properties eligible for foreclosure, and hope to proceed with this in the near future. Remember, properties which have been legally foreclosed are then auctioned for the purpose of paying off all liens and fees involved in foreclosing, and you will no longer be the owner of that property.

Revenue

The Corporation receives its revenue from the annual road assessments charged to each property owner. Due to the payments of past due assessments, finance charges, lien & release fees and transfer fees the Corporation has been able to maintain the assessment at a low rate. The added income is temporary since the office has been diligent in catching up on collecting the past due assessments. The Corporation reinvests the added income until needed into the Merrill Lynch operating and investment account, which in return earns dividends and interest. Both accounts combined have a little more than 1.8 million dollars in cash & investments. Following is a chart showing revenue received for year ending 2005, and for 2006, *as of June 30*.

Type of Revenue	2005	2006
Assessments	\$828,000	\$737,535
Past Due (includes all other fees)	\$374,000	\$138,896
Transfer Fees	\$32,715	\$12,217
Total Revenue	\$1,235,000	\$876,430

Since cost of labor and materials increased along with the slowing down of past due assessments the 2007 road maintenance assessment will increase to \$90.00. You may vote for or against this on the ballot on the last page.

BUDGET -- Paste Up

The 2006-7 Road Report

The HOVE Road Crew is seven months into the road plan for 2006 and has completed half of the work scheduled. Due to the asphalt shortage in the State of Hawaii, we have had an interim period of no oil delivery, which has set our schedule back a few months on rebuilding.

Hula Lane, Iolani Lane, Ginger Blossom Lane & Leilani Parkway & Circle have been patched, fog sealed and painted. Parts of the lower half of Orchid & Paradise Parkways have been either widened, fog sealed or painted. The road crew has worked diligently to create a safe environment around areas like Kahuku Park on Paradise Circle, which includes installing the proper signs for speed bumps and cross walks. The crew continues to do their daily maintenance and has completed 5 blocks of rebuild, 4 blocks of widening, 35 blocks of fog-sealing and painting, and 23 blocks of oil & chip patching, repairing 129 potholes, and replaced 51 signs & poles. Sweeping, mowing and weed whacking are done monthly in various areas.

Please observe the men working signs and try to avoid those roads while they are being worked on. We will continue rebuilding King Kamehameha Boulevard, Princess Kaiulani Boulevard and the upper end of Leilani Parkway as materials permit.

Roadway Don'ts

Do not plant or build any improvements (walls, fences etc.) beyond your property lines. If you have a rock wall, fence or any type of plants encroaching onto the roadway we will ask you to remove them. If you do not remove the encroachment you will be fined and the encroachment will be removed by the Corporation. For photos of encroachment do's and don'ts, refer to the website at www.hoveroad.com.

Do not build your driveways beyond your property line. If you have placed your driveway into the roadway you will have to remove that portion of the drive. We have initiated the "apron"

process, which entails the road crew tying in your driveway to the road. If you have a new or old driveway that needs to be tied into the road, please give our office a call to schedule it. Scheduling will be based upon the availability of materials and labor.

Do not damage the signs or poles. The cost of replacing signs and poles range from \$50-\$400, which will affect the property owners road assessments. If you see anyone damaging signs and/or poles, please report it to the HOVE RMC office immediately. The Corporation is offering a REWARD of \$500.00 for information leading to the arrest & conviction of those persons vandalizing Corporation property.

Abandoned Vehicles and Illegal Dumping

The Corporation will not tolerate illegal dumping of any kind, including abandoned vehicles. The Corporation, with the help of the County of Hawaii, Environmental Waste Management has recently removed over 200 derelict and/or abandoned vehicles from the subdivision roadways. We need your help to continue reporting dumping along the roadway of any kind. Call our office or the Hawaii County Police Department. We are offering a \$500.00 REWARD for information leading to the arrest & conviction of those persons illegally dumping along the roadway.

Cinder, Wood Chip and Mulch

The Corporation plans to initiate cinder pickup for members of HOVE. We will be allowing our members to get cinder, in their own vehicles, at our baseyard on Lehua Lane; NOT at the pit. There will be a small loading fee. This will allow us to address safety issues at the pit and also offer our members cinder for private use. We will have to construct a loading area at the baseyard; we will announce a start-up date at the October Annual Meeting.

We also hope to offer mulch and wood chips for sale in the near future, based upon availability. If you have any

trees or shrubs that you need to dispose of, please call the office. The Corporation sees this as an opportunity for all involved; since we would have to pay someone to pick up and haul green waste out of the subdivision, we feel offering members the chance to utilize the mulch, chip and cinder will help us maintain an affordable road maintenance assessment.

Buildings and Equipment

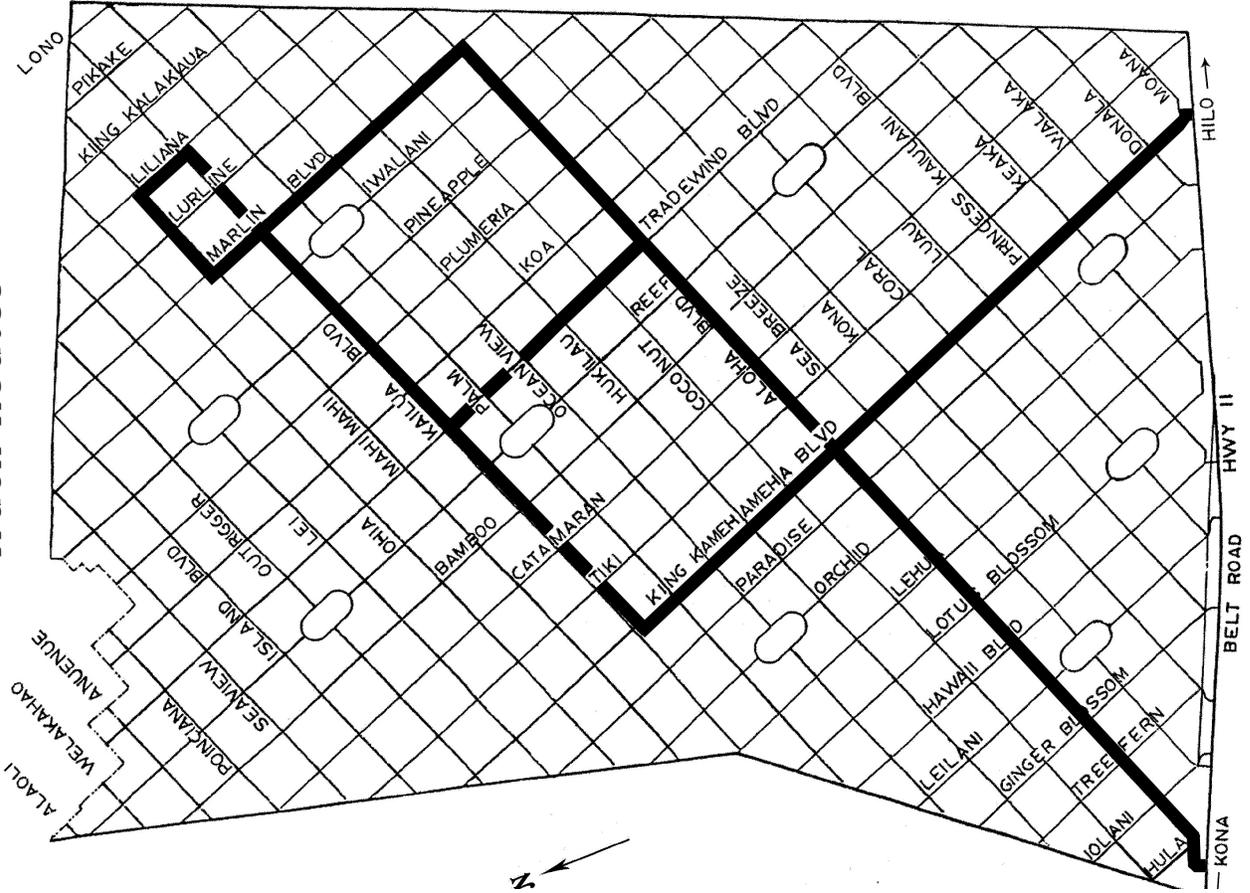
The Corporation recently purchased a new equipment building to be constructed in the next few months. This building is necessary to house the oil distributor and chip spreader the Corporation purchased last year. We have also purchased VHF portable and mobile radios for purposes of communication between the office, shop and road crew, vital for road operations. The Corporation will soon be acquiring a wood chipper and paint striper for regular maintenance of the roadways.

Safety

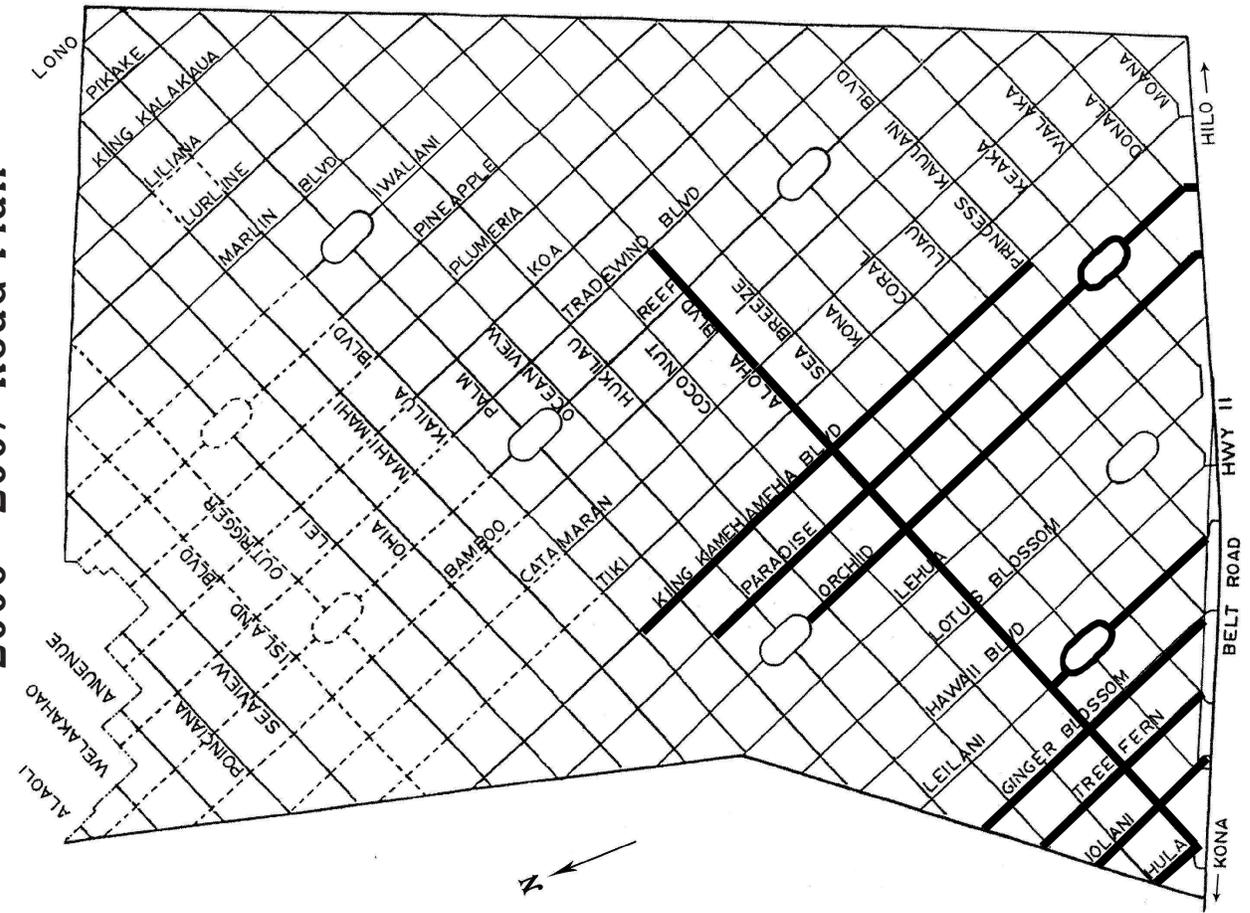
Safety has been a major priority for the Corporation. We will be installing guardrails in areas with lava tubes along the roadway as well as increasing painting on the roadways for visibility. Other safety issues have arisen, including walking paths and bus stops, which are much needed in areas along the highway and at Kahuku Park.

I am happy to announce that the Corporation has established a truck route in HOVE. All commercial trucks using HOVE roadways should stay on the designated truck route until they must leave it to deliver materials to property owners. Traveling times will be from 7 am to 5 pm, seven days a week. A truck route map is included in the newsletter for your information and is also available on our website at www.hoveroad.com. If you have any questions or concerns regarding the truck routes, please give the RMC office a call.

--- Truck Routes ---



--- 2006 - 2007 Road Plan ---



--- 2007 Road Plan --- 2006 Completed Roads

2007 Road Plan by Budget

Below you will find a chart illustrating the 2007 Road Plan by Budget. The chart shows the names of the roads and how many linear blocks we will be working on, along with what type of work we will be doing. The chart has been divided by the 2007 proposed budget costs for materials. (You may find the Budget on Page 3.)

Road work and costs will overlap; "Materials-Chip & Base" includes patching and re-chip, and has been budgeted for \$110,000 (line item # 17 of the budget). "Materials-Oil & Fog," which includes rebuild and fog sealing as well as driveway aprons, is budgeted for \$230,000 and can be found on line item #18. "Traffic signs, poles & paint" is budgeted for \$30,000 (line item #24).

Types of materials used are 3/8" chip, 3/4" base course, SS-1 asphalt emulsion, black top patch, yellow and white reflective paint. This also includes replacement and upgrading of our signs and poles, required to meet Hawaii State and County Traffic codes.

In 2007 we plan to work on one hundred sixty seven (167) linear blocks within the subdivision. Please see the 2007 Road Plan map provided on Page 5. The dotted lines indicate the area in which we will be working. Plans include a complete rebuild of five (5) linear blocks, including the roads around the cinder pit, which need to be widened and repaved to 24 feet. Other road work being done in the area includes sixty eight (68) linear blocks of fog seal & painting, forty three (43) linear blocks of patching, thirty eight (38) linear blocks of re-chip, correction of twelve (12) intersections with obstructed lines of sight, and one (1) encroachment issue.

As always, we will continue our regular program of mowing, sweeping, and handling complaints in regard to potholes and/or emergencies. Paint striping will continue on other streets included in the road plan, if required for safety reasons. Members who live in areas which will be affected by road work will receive a letter 2-3 months prior to scheduled commencement, to inform them of upcoming closings or temporarily limited access.

Road Plan by Budget

Budget Line Items #17, #18 and #24

MATERIALS:

Chip / Base: \$110,000

Oil / Fog: \$230,000

Signs / Paint: \$30,000

TOTAL

\$370,000.00

(see attached map)

ROADS

	LINEAR BLOCKS	FOG SEAL and APRONS \$100,000	PATCHING \$89,300	REBUILD \$91,000	RECHIP \$62,00000	SIGNS, POLES and PAINT \$30,000	LINE OF SIGHT	ENCROACHMENTS	POTHoles
TIKI LANE	8	4	1	2	1	4			
CATAMARAN LANE	9	7	1			7	1		
BAMBOO LANE	18	9	3			9	6		
REEF PARKWAY	30	10	10		10	10			
TRADEWIND BLVD.	4		1			8	3		to
KOA LANE	17	8	4		4	7		1	be
PLUMERIA LANE	18	7	5		4	8	2		done
PINEAPPLE PKWY.	15	8	3		4	6			as
IWALANI PKWY	18	6	6		6	9			needed
OUTRIGGER DRIVE	27	9	9		9				
MAHIMAHI DRIVE	1				1				
KAILUA BOULEVARD	1				1				
LILIANA LANE	1				1				
TOTAL LINEAR BLOCKS	167	68	43	5	38	68	12	1	

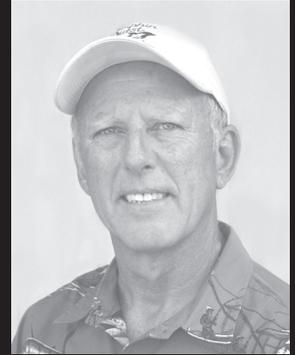
THE HOVERMC



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LOREN HECK
President

a.k.a. "Mister Personality"

ELEANOR SHANNON
1st Vice President

a.k.a. "Little Tiger"

RANDY VAN LEEUWEN
2nd Vice President

a.k.a. "Gone Fishin'"

Be on the lookout for these three Desperados, wanted for being movers and shakers in the sleepy town of Ocean View! They are suspected to be associates of the loosely-organized Street Gang known as "The Board." May be considered Armed and Dangerous; their *modus operandi* includes disarming you with the aw-shucks charm of Heck, blinding you with the gleaming smile of Shannon, and thrilling you into submission with the great fishing stories of Van Leeuwen. Beware ... once mesmerized, you may be coerced into joining a committee!!



"Da Crew wit' da View" The Road Maintenance Corporation has every reason to be proud of our terrific road crew. These are the guys who do the work, the ones who come when you call, the ones who go beyond their job descriptions every day to ensure the safety and driveability of our roads. They are the foundation on which we stand; without them, there is no HOVERMC.

From left to right: Rudy, Aaron, Deltan, Junior, Elias, Ladd, Justin, Jonathan, Byron, and Foreman Mac.



Speed bumps around the park help to curb traffic and keep our kids safe.



The road goes ever on and on ... well, sometimes it seems that way! This photo was taken about 2/3 of the way up Aloha Blvd.



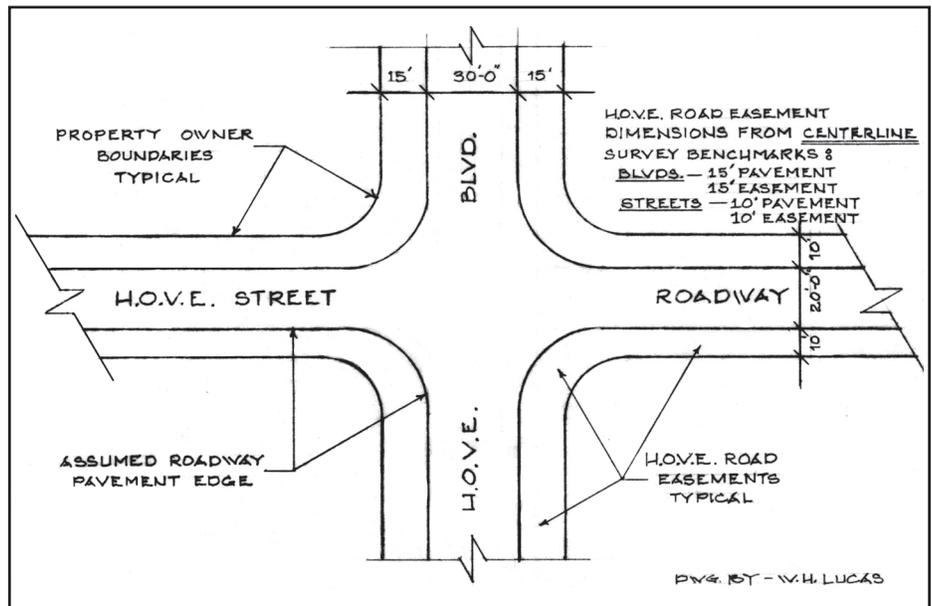
Well-defined crosswalks are also an important safety convention.



Rebuilding King Kamehameha Blvd.; this shot shows one of the more heavily forested areas of Ocean View.

Illustration of road widths for Boulevards (60') and regular streets (40')

The widths of our roads were established to comply with State and County code when Ocean View was originally planned in the late 1950s. Major collectors (our Boulevards) were surveyed at 60 feet in width and minor collectors streets at 40 feet. While the pavement may not necessarily fill the entire roadway at this time, the area defined by survey is nonetheless set aside for the purposes of traffic and utility easements. For safety reasons, encroachments into this designated area cannot be allowed.



Frequently Asked Questions

Who are you and why do you assess for road maintenance?

We are the Hawaiian Ocean View Estates Road Maintenance Corporation, more simply known as "The RMC". We're a 501(c)4 nonprofit corporation, established by the courts in the mid-1980s to rebuild, maintain and improve the 157 miles of road in the subdivision. Since we are not State- or County-supported, property owners are mandated to pay a yearly assessment per lot. The roads belong to all who live or own property here; we are simply the custodians.

Can you give me information about my land?

We'll be happy to give you any information we can. We can tell you the location of your property, and its approximate altitude above sea level. We can give you some information on the community and lifestyle. We can give you an "educated guess" as to the terrain in your area, based on the topo maps we have in the office. We can probably *not* tell you much about your specific lot's features.

Do you remove abandoned vehicles?

County law does not allow us to do it ourselves. However, our crew and office are very active in reporting AVs to the Police, and in bugging the Solid Waste Division to move them out of here once they have been reported. Please see the article on Page Four for more information. **We are reinstating an old policy offering rewards** for information leading to the arrest and conviction of persons dumping AVs in the subdivision!

Is there a fire station in Ocean View?

Yes indeed ... the community built it, and it is staffed by trained volunteers. The Fire Station also houses our own ambulance, and two profes-

sional EMTs are on-site 24 hours a day.

What is my property worth?

We are not in a position to know the value of your property; while we see the lots changing hands, we do not see the prices paid. You would be much better off to ask one of our local realtors; feel free to call us for some phone numbers.

What about water?

Household water here is by catchment. There are no water mains or sewers. Each home must have its own catchment tank, which is filled by rainwater from your roof. If there is not enough rain, we buy water by the truckload. 4,000 gallons currently costs \$110 - \$120. Septic tanks are required by the County for all new homes.

What's Up with the Well?

There has been no recent news regarding the timeframe for getting a well in Ocean View. Funds have been allcated and released to the appropriate agencies. According to our sources, these are the current plans: A well will be located on one of several lots belonging to the County, at the mauka end of Paradise Circle near Kahuku Park. On Mamalahoa Highway (possibly near Lehua Lane) an area will be constructed for commercial haulers to fill their tankers, with two standpipes and space for four trucks, and "sufficient meters to supply future needs." Six spigots for public use will be located in a clean, well-

lit area adjacent to the stand pipes but with separate access for safety. Plans also currently include a park-like area with public restrooms.

How can I prevent dumping on my property?

Don't encourage it! If you are not yet ready to build, don't bulldoze or put in a driveway. Dumpers are looking for easy access; if your undeveloped property is easily accessible, put up a fence. Dumpers are lazy; otherwise they would take their trash to the transfer station like the rest of us. Don't make it easy for them!

What are the setbacks for the roads?

Setbacks vary depending on the type of street. For lanes, drives and parkways, the setbacks are 20 feet from the **center** of the roadway. On boulevards, which are designed to handle big trucks and heavy traffic, the setbacks are 30 feet from the **center** of the roadway. To determine the center of the roadway, check the pins in the middle of each intersection. For further clarification, see the illustration at the bottom of Page 8.

This setback should coincide pretty closely with your property line, if your stakes are in the right places. As long as you are inside your property line, you may plant, fence, or build a wall as you wish; but please ensure that your pins have been checked by a licensed surveyor before proceeding!

Who do I contact for ...

Electrical Service	HELCO	808-969-6999
Propane Service	The Gas Company	808-935-0021
Telephone Service	Hawaiian Telecom	808-643-3456
Report Abandoned Vehicles		808-935-3311
Time of Day	(Hawaiian Time!)	808-974-6025

Local News and Ocean Views

It's been a busy year here in Hawaiian Ocean View Estates! Most of you are aware of the ongoing "land boom" on the Big Island ... thousands of lots have changed hands in the last few years, and many are now being built upon. Although sales have slowed from a torrent to a relatively sedate stream, property values remain higher than they have been in over a decade. The subdivision is huge, and still very far from crowded, but it's remarkable to drive around and see so much new construction!

An influx of new residents brings its own set of problems as well; traffic on our roads is increasing and we're working hard to keep pace with maintenance and improvements. You will see a lot of new signage around the subdivision, and much more safety marking and striping on the roads. More traffic means more wear and tear on road surfaces; truck routes are being established to keep the big haulers on the main roads as much as possible; new equipment is being purchased to keep pace with a greater need for continuous upkeep on the roads.

Neighborhood Watch Donations

Neighborhood Watch, led by Bob Barry has always been very helpful in watching over our community. Participants are all volunteers, who drive their own vehicles to provide this service to the community. All expenses are paid by the volunteer. If you would like to help support the Neighborhood Watch, please send your donations to P.O. Box 6020, Ocean View, HI 96737. Bob Barry may be contacted at 808-929-8784.

Bus Stop Donations

The Corporation has discussed putting in bus stops, to be designated by the State of Hawaii, DOE Student Transportation Board, to provide greater safety for the children in HOVE. We are looking into widening

the areas of the bus stops for safer parking, and displaying the proper signage.

We can provide the bus stops, but the children also need covered sitting benches for them to wait for the bus. We would like your help in providing this for them, by monetary donation, labor or materials. Any input at this time will be greatly appreciated. Monetary donations can be sent to the office; if you can donate labor or materials, please call the office for more information.

Promoting Safety

The RMC would like to ask those living in the community to help keep our roads safe. We can fix the roads, put up the proper stop signs and speed limit signs, and keep the berms clear; but unfortunately we can't prevent certain individuals from driving like lunatics. However, we can keep a list of Safety Watch Reports, which can be helpful to police in convicting known violators. If you witness someone driving irresponsibly (driving at high speeds, recklessly,

running stop signs, etc.), you can turn in a report form. We will keep these reports on file in the office, and collate them by tag number to assist police investigations. Required information are the date, time, and location, the type of violation, and a license plate number. Any additional information, such as a description of the vehicle and/or the driver, or even a name, would be useful. Forms are available at the Road Maintenance office.

Stop Sign Vandalism

In response to a rash of vandalism which is apparently affecting this entire end of the island, the RMC is once again offering a \$500.00 reward for information leading to the arrest and conviction of any person or persons damaging, defacing or removing road or traffic signage in Hawaiian Ocean View Estates. If you have information, please contact the Road Maintenance office at 929-9910. You will be required to submit a report to the police as well.

2005-2006 Ocean View Dwelling Count

This survey includes all of the "Ocean View Greater Metropolitan Area" (smile); that is, Hawaiian Ocean View Estates, Ranchos, and the four smaller subdivisions below the highway. With the exception of Ranchos, the smaller areas are sparsely populated. This survey of dwellings was done by volunteers, who drove the roads of our subdivisions to collect the information. This is not an official census, but an estimate of growth in the last year.

All of Ocean View	2005	2006
Tents	45	48
Yurts	4	5
Travel Trailers	12	16
Bus/RV	13	9
Cargo Containers	12	7
Shacks	242	214
Cabins	128	148
Lava Tubes	2	1
Existing Houses	1037	1389
Houses Under Construction	22	200+
Lots Overgrown but Graded	288	415
Newly Graded	219	345
Dozer on Site	11	18

Letter from the President
 continued from Front Page ...

tagged by the Police, steps required before the County will remove them. Remember, too, there is a \$500 reward if you report the responsible party and it leads to arrest and conviction.

Our Building and Equipment Committee recommended spending \$52,912 for a building to house and protect the new chip spreader and other equipment we invested in last year. In addition, we're looking into purchasing additional property adjacent to the base yard.

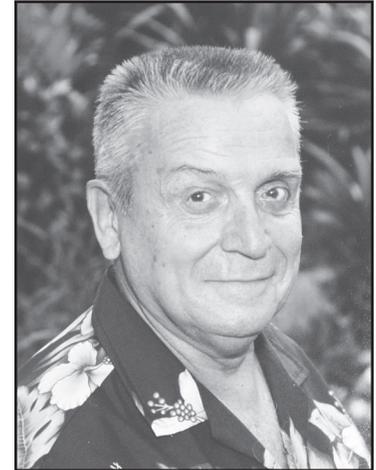
For additional committee reports, please attend the Annual HOVERMC meeting October 14th 10:00-12:00, at the Ocean View Community Center, or check our website at www.hoveroad.com.

My final topic is our annual road assessment. We were able to reduce your assessment to \$80.00 in 2006 due to a "surplus" of income from the increased collection of past-due accounts in 2004 and 2005. The spike in fuel cost, (\$20,000 in 2004, \$32,000 in 2005, and almost \$35,000 in just the first 6 months of 2006), has made it clear that we can not keep the road assessment at \$80.00. In 1998 and 1999 you approved a \$95.00 assessment. Now, for 2007 we are asking that you approve a \$90.00 assessment.

We are dedicated to maintaining your safety on the highest quality roads possible while always keeping in mind our fiduciary responsibilities. Please feel free to contact us with any concerns you have regarding the HOVE Road Maintenance Corporation.

Aloha Jimmy

We are sad to have recently lost a good friend and selfless community volunteer. Jimmy Yocom's time with the Road Corporation was only a small part of his many contributions to Ocean View. He devoted years of his life to help bring water to the subdivision, patrolled our streets late at night as a member of the Neighborhood Watch, and supported Friends of Kahuku Park. Jimmy and his wife Elinor seemed inseparable. We saw them together at almost every function, supporting every effort to help improve this community. Elinor has decided to return to be with her family in Missouri. We will miss them both.
 Aloha nui loa.



Obeying signs keeps cars, crew, and newly-laid roads safe.



Wetting the roads while we work helps keep down dust and grit.



The painting crew hopes you will watch for signs!



MARY KASTLE

Originally from North Carolina, I married and moved to New Mexico in 1972 where my husband and I owned and operated an appliance business for over 20 years. After several trips to the Big Island, we bought property in Ocean View in 1997. We were finally able to make the move over here in 2004. I was appointed to the Board of Directors in January of 2006 and have been serving as Secretary since that time.

BILL VINSON

William Vinson, Jr. was born in 1936 in Santa Monica, California. Mr. Vinson spent his early adulthood as a soldier in the U.S. Air Force and an entrepreneur. In 1966, Mr. Vinson moved to the Hawaiian Islands. Here on the Big Island, he was the owner/operator of Kailua Boat Building and the Pawai Offices Complex. Mr. Vinson is currently a resident of Ocean View Estates where he is a semiretired protea farmer.

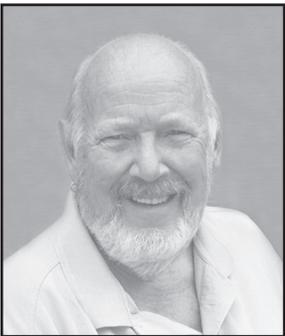


KEN WICKS

I have lived in Ocean View since 1994 and have seen very positive growth and progress in all aspects of the community. I am especially impressed by the professionalism of the Road Corporation administration and upkeep of our roads.

For the past year and a half I have served as President of the Ocean View Chamber of Commerce. This group is analyzing the needs of our greater Ka'u Community and striving to be proactive in the expansion of this area.

I hold a Bachelor of Science Degree from Western Oregon State College, and taught Science in a rural Alaska school for 20 years.



RELL WOODWARD, MD

Rell Woodward, MD, is a retired physician, living in HOVE. He practiced obstetrics and gynecology in Texas prior to moving to Hawaii.



THE HOVERMC ANNUAL MEETING

WILL BE HELD

OCTOBER 14, 2006!!

at the O V C A Community Center, on Leilani Circle, from 10:00 am to noon.

ON THE REVERSE SIDE OF THIS PAGE YOU WILL FIND YOUR BALLOT

It is important that you vote on the issues included; it is your opportunity to be counted and express your ideas.

PLEASE FOLD AND MAIL THIS ENTIRE PAGE, including the attached mailing label*, to the address printed below. To be counted, your vote must be received no later than September 15th, 2006, as the League of Women Voters requires this time to tally votes. Please allow SIX DAYS mailing time from the mainland.

***The number in the corner of your mailing label represents the number of lots you own.** You have one vote per lot, per board member; you may split your votes however you wish. That is, if you have one lot and there are two people on the ballot, you have TWO votes; you can cast one for each candidate, or both for the same individual. Consolidated lots have one vote, regardless of acreage. **If the number on your label is incorrect, contact us.** DO NOT ALTER THE NUMBER ON YOUR LABEL; if it is altered the League of Women Voters will NOT accept your vote.

PLEASE DO NOT SEND PAYMENTS TO THE ADDRESS BELOW!!

please tape or staple only once

FOLD

First Class
Postage
Required

**KONA LEAGUE OF WOMEN VOTERS
P.O. BOX 4478
KAILUA-KONA, HI 96745-4478**

FOLD

COMMENTS AND SUGGESTIONS:

_____ Bill Vinson
 _____ Rell Woodward, MD

_____ Mary Kastle
 _____ Ken Wicks

New Board Members (you have 4 votes for each separate lot you own):

I approve the Year 2007 Budget and 2007 Road Plan _____ YES _____ NO

I approve the Year 2007 assessment of \$90.00 per lot. _____ YES _____ NO

HOVE ROAD MAINTENANCE • 2007 BALLOT

HOVE ROAD MAINTENANCE
 P.O. Box 6227
 Ocean View, HI 96737

RETURN SERVICE REQUESTED



2007-8 Office Report

Aloha to another year! We are happy to announce that Carr, Gouveia & Associates, a CPA firm in Oahu, has completed the independent audit for 2002 and is currently working on the 2003 audit. We have also completed the 2005 taxes for the company and are currently working on the 2006 taxes.

The Corporation is also working on building an office on Aloha Blvd. We have acquired 6 acres that will include an equipment building, an office building, and areas for the pick up of cinder and the dropping off of green waste. We are currently working through the lengthy process of consolidating the properties and filing a special use permit for this purpose.

Payment Information

We accept check, cash, money order or Visa/MasterCard. You may send your payment by mail to HOVE RMC, PO Box 6227, Ocean View, HI 96737 or call us with a credit card payment at 808-929-9910 or toll free at 866-241-7294. *Do not mail cash!!* Please make sure you send the top portion of your statement(s) in with your payment. If you own multiple properties, you may pay with one check, but please send the top portions of all statements with your payment. You may also go to our website at www.hoveroad.com to make a credit card payment on-line.

Ownership or Address Changes/Consolidations

If you have sold your property, please inform us immediately. Since we have almost 11,000 owners to keep track of, it is extremely difficult for us to know if you have sold your property privately. If you have sold your property and have not gone through an escrow company, we need a copy of the notarized or filed deed to make the transfer. There is a fee of \$25.00 per property for ownership changes. If you have gone through an escrow company, or will be using an escrow company, then they should notify us of the transfer and provide us with the necessary paperwork.

If you are using a mainland company, please inform them of our existence. If you consolidate your property or have an address change, please notify us as soon as possible. We are not affiliated with the County of Hawaii Real Property Tax Division or any other State or County entity. We will not be notified by them! Please send an address change or correction to us directly.

Customer Numbers

We are still in the process of creating new customer numbers for all accounts. The customer number will reflect the plat and parcel of your Tax Map Key (TMK) number; for example if your TMK number is 3/9-2-002 (plat)-001(parcel) your customer number would be **0020010**. This allows us to keep track of the properties efficiently and bill each assessment correctly.

Payment Arrangements

The Corporation has initiated a payment plan arrangement for the convenience of our members. If you are unable to pay your assessment in full, please contact our office, we will be glad to work with you. If assessments are badly past due, payment arrangement agreements will allow the member to make a monthly payment on their account. The greatest benefit to this plan is that you will incur only a \$10.00 late fee per property at the end of the year, instead of being charged 12% financing on any unpaid balance. This can be a huge savings for those who have fallen behind. *Payments must be consistent or a lien will be placed on the property.* If a lien is already in place, default on the payment plan, or no payment at all, will result in a foreclosure on the property by the Corporation. Once default occurs you will be removed from the payment plan and a payment in full is required.

Revenue

The Corporation receives its revenue from the annual road assessments charged to each property owner. Due

to collection of past due assessments, finance charges, liens & release fees, transfer fees and, more recently, cinder sales, the Corporation has been able to maintain assessments at a low rate. The Corporation reinvests the added income until needed into the Merrill Lynch operating and investment accounts, which in return earns dividends and interest. Both accounts combined have a little more than 1.3 million dollars in cash and investments. Following is a chart showing revenue received for the year ending 2006.

<u>Type of Revenue</u>	<u>2006</u>
Assessment Income	\$ 845,461.72
Past Due Income (includes all other income)	\$ 155,569.09
Transfer Fee Income	\$ 17,980.00
Dividends/Interest	\$ 80,201.19
Cinder Loading Income	\$ 7,197.50
TOTAL REVENUE	\$ 1,106,325.17

Liens & Foreclosures

The Corporation has the right under its bylaws to lien and foreclose properties in default of their road maintenance assessment(s). By the bylaws, road maintenance assessment are delinquent sixty (60) days after the due date, and may be liened. One calendar year after the lien has been placed, the Corporation has the right to foreclose on the property.

The office is currently compiling a list of properties for foreclosure through the Corporation lawyer. We have established a procedure and criteria process for foreclosures and are sending out foreclosure notices to those properties which are eligible. Once a foreclosure notice has been received by the owner, payment is required in full and the Corporation will not write off any charges. Properties foreclosed will be sold at public auction in the manner defined by law.

~ Proposed Budget for 2008 ~

Paste-Up

The 2007-8 Road Report

2007 Road Plan

The HOVE Road Crew is currently working on Princess Kaiulani Blvd. below King Kamehameha Blvd. This was part of the 2006 road plan, but was not completed due to difficulties obtaining asphalt emulsion for paving. Once Princess Kaiulani Blvd. is completed, the crew will continue on to the upper part of Leilani Parkway. These projects are underway, but we continue to have problems obtaining the asphalt emulsion, due to a shortage of companies processing it. This has set our schedule back a few months on rebuilding. We have also added a few projects, which include upgrading the bus stop areas and putting in a walking path at Paradise Circle around Kahuku Park for safety purposes.

The 2007 road plan consists of working on the upper north section of the subdivision. The roads that we will be working on are Tiki Lane, Catamaran Lane, Bamboo Lane, Reef Parkway, Trade Wind Blvd., Koa Lane, Plumeria Lane, Pineapple Lane and Iwalani Parkway, all ending at Kailua Blvd. We will also be working on Outrigger Drive as far as Bamboo Lane, Liliana between Mahimahi and Kailua Blvd., and on both Kailua and Mahimahi, between Liliana and Lurline. With these sections of road the Corporation will have completed 43 blocks of patching, 38 blocks of rechip, 68 blocks of fog sealing and painting, and 5 blocks of rebuild. There are also line of sight issues and encroachments that will be removed for safety.

The crew completed various parts of the subdivision in 2006, which includes 9.5 blocks rebuilt, 11.5 blocks widened, 86 blocks fog sealed, 60 blocks swept, 23 blocks patched, 85 blocks painted, 50+ signs replaced or added, and over 129 potholes repaired. They are continuously doing mowing and weed whacking of intersections and areas with line of sight issues.

Please observe the Men Working signs, and try to avoid those roads

while they are being worked on. We will continue rebuilding King Kamehameha Boulevard, Princess Kaiulani Boulevard and the upper end of Leilani Parkway as materials permit.

Roadway Don'ts

Do not plant or build any improvements (walls, fences etc.) beyond your property lines. If you have a rock wall, fence or any type of plantings encroaching onto the roadway we will be forced to ask you to remove them. If you do not remove the encroachment you will be fined and the encroachment will be removed by the Corporation. To see photos of 'encroachment do's and don'ts,' refer to the website at www.hoveroad.com.

Do not dig or place your driveways beyond your property line. If you have placed your driveway into the roadway you will have to remove that portion of the drive. We have initiated an "apron" process, which entails the road crew tying in your driveway to the road. If you have a new or old driveway that needs to be tied into the road, please give our office a call to schedule it. Scheduling will be based upon the availability of materials and labor.

Do not damage the signs or poles. The cost of replacing signs and poles range from \$50-\$400, which will affect the property owners' road assessments. If you see anyone damaging signs and/or poles, please report it to the HOVE RMC office and the Police immediately. The Corporation is offering a REWARD for information leading to the arrest & conviction of those persons vandalizing Corporation property.

Illegal Dumping/AV's

The Corporation will not tolerate illegal dumping, including abandoned vehicles. We need your help to continue reporting dumping along the roadway of any kind; call our office at 808-929-9910 or the Hawaii County Police Department at 935-

3311. The Corporation is offering a REWARD for information leading to the arrest & conviction of those persons illegally dumping along the roadway.

Buildings/Equipment

The Corporation recently purchased six acres adjacent to the RMC shop. These six acres will house the new equipment building as well as the new office building. We are currently working on bulldozing the six acres and consolidating them into the existing four. We will be applying for a new special use permit to include the new acquired lots. We've also purchased a BobCat for clearing and cleaning smaller areas along the roadway and a new wood chipper for chipping green waste that is cleared from the road sides.

Safety

Safety has been a major priority for the Corporation. We have painted and widened the bottom of King Kamehameha Blvd. for the safety of the children in HOVE. These areas will be properly marked with signs showing the designated areas for bus pick up. We are still accepting donations for covered benches for the children, and have recently finished the walking path around Paradise Circle.

I am happy to announce that the Corporation has established a truck route in HOVE. All commercial trucks using HOVE roadways should stay on the designated truck routes unless they must leave it to deliver materials to property owners. A truck route map is included in the newsletter for your information and is also available on our website at www.hoveroad.com. We will soon be adding Trade Wind Blvd. between Anuenue and Aloha Blvd. to the truck route. You will see a few more streets added to the truck route in the future as they are repaired and widened. We must make them safe before these

continued on page 6

2008 Road Report

(continued from page 4)

streets can be added to the Truck Route. If you have any questions or concerns regarding the truck routes, please give the RMC office a call. If you observe any large trucks that should be utilizing the truck route, or are speeding in any area, please inform us immediately with the name of the company, license plate (if possible) and the time and date of the infraction. This will allow us to contact the company directly to make a formal complaint.

Cinder Sales/Wood Chip

The Corporation has been offering cinder to members of HOVE for almost a year now and it has become a popular and appreciated resource. Our members may pick up cinder with their own vehicles at our road yard, using the Aloha Blvd. entrance. This allows us to take care of the safety issue and also offer our members the opportunity to get

large or small loads of cinder for personal use. All you need to do is come by our office and pay a loading fee of \$5.00 per cubic yard (\$7.50 for non-members). We will issue a receipt which you may give to the person loading the cinder. Normal schedule for cinder pick-up is on Mondays and Tuesdays, from 8:00 am to 12:00 pm, and from 1:00 pm to 3:00 pm. The pick-up area is on Aloha Blvd. below Lehua Lane. Our schedule may vary based on oil deliveries and the need for the crew to be out on the road.

We will also soon be offering wood chips for sale, based upon availability. If you have trees or shrubs that you need to dispose of, please call the office and we will schedule a time for you to drop the green waste off at the road shop, when someone will be available to receive it. Please be aware that we can not accept certain types of green waste, such as grass or Christmasber-

ry. We reserve the right to refuse service to anyone and will not be responsible for any damages to private property while on Corporation property.

The Corporation sees these operations as an opportunity for all involved. Since we would have to pay someone to pick up and haul green waste out of the subdivision, we feel offering members the chance to utilize the wood chip will help us maintain an affordable road maintenance assessment. While we no longer use cinder on the roadways, our pits at the top of the subdivision should be available to all members of the Corporation. Unsafe mining practices in neighboring pits have created hazardous conditions in the area, and we cannot allow members to go up to get their own cinder; therefore we are bringing it down to the baseyard and charging only a small fee for transportation and loading.

☆☆ Length of Service Awards ☆☆

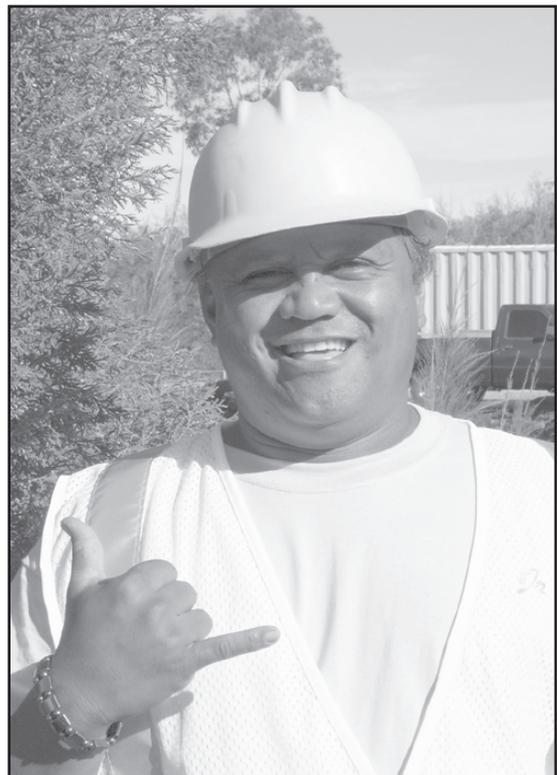


McKinley 'Mac' Kaupu Foreman

Mac has been with the RMC almost from the beginning. His cool head has always gotten us through. Mahalo for twenty great years!!

Crispín 'Junior' Navarro Operator

Ten years with the Road Crew and still going strong! Mahalo, Junyah, for your dedication and support!



A Petition for Removal

To: The HOVERMC Board of Directors, and all members of the Corporation

From: The undersigned HOVE lot owners, who are members of the Corporation

We, the undersigned, do petition the Corporation and the Board of Directors for the removal of Board Member and Vice President of the Board, Eleanor Shannon, in accordance with Section 3.4 of the Bylaws of the Corporation, which states: "Any director may be subject to removal if a petition signed by 100 or more lot owners is delivered to the Corporation at least twenty five (25) days prior to the notice of annual or any special meeting called pursuant to paragraph 2.10 (of the Bylaws) for that purpose,"

We, the undersigned, as members of the Corporation, do additionally request that a special meeting be called, as defined in paragraph 2.10 of the Bylaws, for the purpose outlined above.

(A copy of this petition with signatures is available at the HOVERMC office.)

From the President, Loren Heck:

This is the first time in the history of HOVERMC that Membership has been asked to vote on the removal of a Board Member. A petition of 100 members asked for a vote on the removal of director Eleanor Shannon. On December 6, 2006, the entire front office united and wrote a letter of complaint to the Board stating that in their opinion "**Ms. Shannon's approach to Board and Committee meetings is similar to her attitude toward the office staff. Any divergence of opinion is met with hostility and a raised voice. Any dissent becomes a feud.**" 5 out of 6 of her fellow Board Members agreed, and removed her as 1st Vice President, and would like to see her removed from the Board.

In the past when such matters have arisen, the Board Member involved has resigned voluntarily, so as not to perpetuate a growing environment of animosity and combat.

Instead, Ms. Shannon seems to be focused on teaching the Corporation a lesson of law, by insisting that due pro-

cess and her liberty are being threatened. At Ms. Shannon's request, the Board agreed to pay for a legal opinion regarding the term "without cause." Without cause in our Bylaws has been considered by the Corporation's attorney to be legal. It shows due process by expressing notification and determination, and is common in many corporation and association bylaws to remove the burden of proof and a complicated showing of "cause" common in criminal or legal hearings. This is clearly not a criminal or legal case. We have paid for a legal opinion that Ms. Shannon doesn't agree with, and she refuses to let go. As President of the Board of Directors, I'm asking that you vote to let her go.

The Corporation chose to include this petition for director Shannon's removal in the 2007-2008 Annual HOVERMC Newsletter for a vote to be tallied by the Kona League of Women Voters. This complies with section 2.10 of the Bylaws. Rather than calling a separate special meeting for this purpose, the Corporation saved over \$4,000 of share-

holders' money in postage, supplies and labor necessary for a separate notification, by placing this request for a vote in the newsletter.

Section 3.4 of the Bylaws begins by stating "The entire Board of Directors or any individual director may be removed from office without cause by a vote of a majority of members..." As of this date, the petition is no longer accurate when it asks for the "removal of Board Member and Vice President of the Board, Eleanor Shannon." On May 1st, 2007, Ms. Shannon was removed from her position as 1st Vice President by a 5-2 vote of the Board of Directors. You are therefore voting to remove her from office as a Board Member. The Board of Directors does not have the power to remove a Board Member who was elected by Membership, without a vote of the Membership. Therefore, we ask that you vote to remove Eleanor Shannon as a Director of the Corporation. We feel this action to be in the best interest of the Corporation and its shareholders. As President, I ask for your support.

From Director Eleanor Shannon:

ALOHA HAWAII OCEAN VIEW
ESTATES MEMBERS:

Apologies are in order for subjecting you to what should have remained at the Board level. As the President states, "This is the first time in the history of HOVERMC that the membership has been asked to vote on the removal of a Board member." The reason why this is the first time is because previous Presidents resolved such issues at the Board level. Here are the issues -- you decide.

Voluntary Resignation: The President states, "In the past ... the Board mem-

ber involved has resigned voluntarily..." Previous voluntary resignations occurred as the President settled the issue to the satisfaction of the Board and the Board member resulting in a voluntary resignation. Ms. Shannon refused to resign without being given reasons for the proposed removal and an opportunity to respond to such reasons. The President refused to provide any reasons based on the "without cause" clause in the Bylaws and removal actions were taken without reason.

"without cause" clause: Simply stated, "without cause" does not mean "without reason". "Without reason" one is

denied the opportunity to defend one's self, thus, being denied ones due process rights.

On May 1, 2007 the Board removed Ms. Shannon as First Vice President as well as Chair of the following Board Committees -- Legal, Bylaws and Personnel -- "without cause" and "without reason." Two months after the removal action, Ms. Shannon is given, for the first time, the reasons for previously removing her from all of her delegated responsibilities, via a President's article which now appears in this newsletter. Ms. Shannon is now, for the first time,

Continued on next page

From Director Eleanor Shannon *cont'd...*

given the opportunity in this newsletter to respond to the reasons for such actions previously taken. It can be said, then, that the Board's removal actions were improper as Ms. Shannon was denied her due process rights -- the right to be notified of the reasons for her removals and the right to respond to such reasons. The reasons for the Board's removal actions are now being

presented to the membership as justification for the membership to remove Ms. Shannon as a Board Director -- reasons that cannot be addressed at this time due to limited allotted space.

A "Fair" Vote: When voting, the membership is reminded that the petition signed by 100 members does not include the President's reasons for the removal of Ms. Shannon as a Director, as

published in this newsletter. When the petitioners signed the petition they were unaware of the President's reasons for the removal of Ms. Shannon as a Director. There is sufficient faith and trust in the membership that whatever their decision, it will be a "fair" one.

-- MAHALO, still your faithful Director, Eleanor Shannon



Our terrific crew: Elias & Junior in back; Byron, Deltan, Jon, Aaron, Justin, Ladd and Mac.



Truck routes have been established for safety.



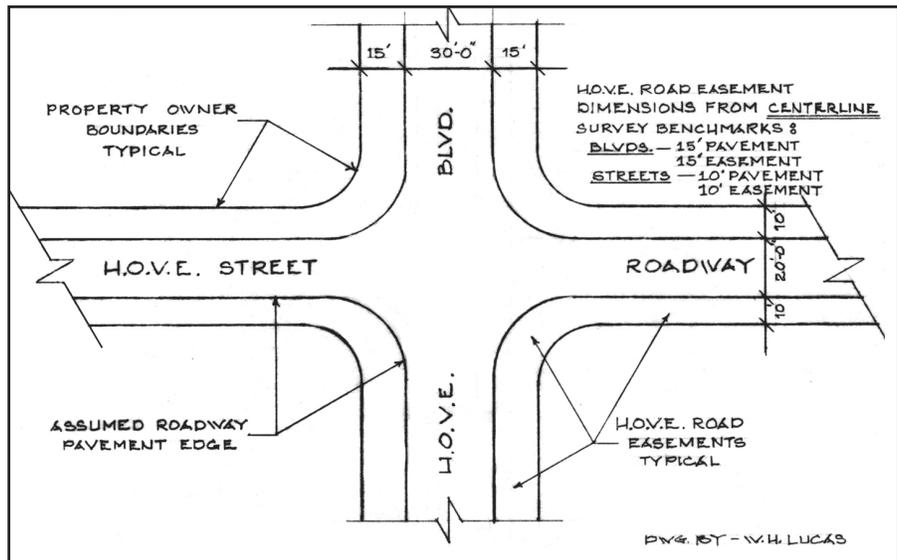
Aloha, Friend Rudy!!

Rudy Kaupu has been part of our crew for many years. He has been a part of our 'ohana and a valuable asset to the Corporation, so it is with regret that we say Aloha, and extend our best wishes for all his future endeavors. We'll miss you Rudy!

**THE
HOVERMC
ANNUAL
MEETING
WILL BE HELD
OCTOBER 13,
2007
at the O V C A Community
Center, on Leilani Circle,
from 10:00 am to noon.
*Please Join Us!***

Illustration of road widths for Boulevards (60') and regular streets (40')

The widths of our roads were established to comply with State and County code when Ocean View was originally planned in the late 1950s. Major collectors (our Boulevards) were surveyed at 60 feet in width and minor collectors streets at 40 feet. While the pavement may not necessarily fill the entire roadway at this time, the area defined by survey is set aside for the purposes of traffic and utility easements. For safety reasons, encroachments into this area cannot be allowed.



Frequently Asked Questions

Who are you and why do you assess for road maintenance?

We are a 501(c)4 nonprofit corporation, established by the courts in the mid-1980s to rebuild, maintain and improve the 157 miles of road in the subdivision. Since we are not State- or County-supported, property owners are mandated to pay a yearly assessment per lot. The roads belong to all who live or own property here; we are simply the custodians.

Can you give me information about my land?

We'll be happy to give you any information we can. We can tell you the location of your property, and its approximate altitude above sea level. We can give you information on the community and lifestyle. We can give you an "educated guess" as to the terrain in your area, based on the topo maps we have in the office. We can probably *not* tell you about your specific lot's features, whether you have neighbors, etc.

Is there a fire station in Ocean View?

Yes! The community built it, and it is staffed by both professionals and trained volunteers. The Fire Station also houses our own ambulance, and firemen and professional EMTs are on-site 24 hours a day.

What is my property worth?

We are not in a position to know the values of property; while we see the lots changing hands, we do not see the prices paid. You would be much wiser to ask one of our local realtors; feel free

to call us for some contact numbers.

What about water?

Household water here is by catchment. There are no water mains or sewers. Each home must have its own catchment tank, which is filled by rainwater from your roof. If there is not enough rain, we buy water by the truckload. 4,000 gallons currently costs \$145-165. Septic tanks are required by the County for all new homes.

How can I prevent dumping on my property?

Don't encourage it! If you are not yet ready to build, don't bulldoze or put in a driveway. Dumpers are looking for easy access; if your undeveloped property is easily accessible, put up a fence. Dumpers are lazy; otherwise they would take their trash to the transfer station like the rest of us. Don't make it easy for them!

Do you remove abandoned vehicles?

County law does not allow us to do it ourselves. However, our crew and office are very active in reporting AVs to the Police, and in urging the Solid Waste Division to move them out of here once they have been reported. **We have reinstated an old policy offering rewards** for information leading to the arrest and conviction of persons dumping AVs in the subdivision!

Why can't we park on the road?

There is no parking of any kind on the roadway or setbacks. In addition to it being a ticketable traffic violation, we ask that you not park on

continued on page 11

Articles and Bylaws Additions

We are asking members to approve additions to Article 1, under "Definition" and to Article 2, Section 2.11 "Notice of Meetings". Technology advances at a rapid pace, and we would like to amend our Articles and Bylaws to allow "electronic transmissions". This would permit our Corporation to make cost-effective use of efficient email and internet technology. The amendments incorporate a variety of protections regarding the use of electronic communication.

The Board and members are not *required* to use electronic communication, but may *consent* to receive electronic notices, and provide the address to which it should be sent and the format preferred. A member or director may also revoke this consent at any time. Consent is presumed revoked if there is a failure of two consecutive notices ("bounced e-mails") and the person sending the notice is aware of the failure. If the corporation inadvertently does not treat such a failure as a revocation, however, the corporate action is not invalidated. The definition of "electronic transmission" has a safeguard as well. A record is not electronically transmitted within the meaning, unless both the sender and the recipient can retain, retrieve, review and reproduce the communication.

Article 11, Bylaws Section 2.11 "Notice of Meeting" currently reads: "Except as otherwise required by law, notice of each meeting of the members of the Corporation, specifying the day, time and place of meeting and the purposes for which the meeting is called, and specifying whether it is an annual or special meeting, shall be given by or under the direction of the secretary to each member of the Corporation by newsletter at least

continued on page 11

Who do I contact for ...

House Number / Physical Address	County of Hawaii	808-961-8469
Electrical Service	HELCO	808-969-6999
Propane Service	The Gas Company	808-935-0021
Telephone Service	Hawaiian Telcom	808-643-3456
Report Abandoned Vehicles		808-935-3311
Time of Day	(Hawaiian Time!)	808-974-6025

Local News and Views

Neighborhood Watch Donations

Neighborhood Watch, led by Bob Barry of HOV Ranchos, has always been very helpful in watching over our community. Participants are all volunteers, who drive their own vehicles to provide this service to the community. All expenses are paid by the volunteers. If you would like to help support the Neighborhood Watch, please send your donations to P.O. Box 6020, Ocean View, HI 96737.

Bus Shelter Donations

Thank you to those who have sent donations for bus shelters! The Corporation is still pursuing this project, to provide greater safety for the children in HOVE. We are planning to widen the areas of the bus stops for safer parking, and for display of the proper signage.

We have received several donations for construction of covered sitting benches for the children to wait for the bus; these donations are going into a special account earmarked for that purpose, and will not be used for anything else. We appreciate your help in providing this for the kids, through donations of money, labor or materials. Any input at this time will be greatly appreciated. Monetary donations can be sent to the office (please mark them "Bus Shelter" so we will know where to deposit them); if you can donate labor or materials, please call the office for more information, or stop by to add your name to our sign-up list.

Promoting Safety

The RMC would like to ask those living in the community to help keep our roads safe. We can fix the roads, put up the proper stop signs and speed limit signs, and keep the berms clear; but unfortunately we can't prevent certain individuals from driving like lunatics. However, we can keep a list of Safety Watch Reports,

which can be helpful to police in convicting known violators. If you witness someone driving irresponsibly (driving at high speeds, recklessly, running stop signs, etc.), you can turn in a report form. We will keep these reports on file in the office, and collate them by tag number to assist police investigations. Required information are the date, time, and location, the type of violation, and a license plate number. Any additional information, such as a description of the vehicle and/or the driver, or even a name, would be useful. Forms are available at the Road Maintenance office.

Road Sign Vandalism

In response to a rash of vandalism which is apparently affecting this entire end of the island, the RMC is once again offering a \$500.00 reward for information leading to the arrest and conviction of any person or persons damaging, defacing or removing road or traffic signage in Hawaiian Ocean View Estates. If you have information, please contact the Road Maintenance office at 929-9910. You will be required to submit a report to the police as well.

Encroachments

As we upgrade our roads, we continue to run into situations where walls, fences or ornamental plantings have been placed outside the owner's property line. While these are often beautiful, and sometimes quite old, they must be removed. The roadways belong to all property owners in Ocean View; anything planted or constructed past the property line is an encroachment. A big MAHALO to residents who have moved, or are in the process of moving, items which were encroaching on the roadway!

Ocean View Water Well Update

After Governor Lingle approved the \$6 million appropriation of funds for the Ocean View water project, an attorney for the State insisted that the State receive \$6 million worth of water credits from the County of Hawaii before they would release the money. The County and Department of Water Supply refused to be pressured into paying for a State Grant. After a 10 month delay of legal squabbles, local resident Don Nitsche had lunch with long time friend Gov. Lingle and cleared up the whole mess. THANK YOU DON!

The deadline for encumbering the \$6 million funding for the water well above Kahuku County Park in HOVE is June 30, 2008. The Department of Water Supply is doing everything possible to expedite the contracts in time. Both phases of construction contracts will be done simultaneously. The first is for the drilling and casing of the exploratory well and the second, the execution of the contracts that will outfit the well, and build the reservoir and control buildings. Special Assistant to the Mayor Andy Levin requested a project schedule be given to the Mayor so that it could be used to communicate the timing issue with the governor, for a request for a funding extension if existing funding lapses.

The Dept. of Water Supply expects to provide Ocean View with six public spigots, four standpipes with five meters on each, and fire hydrants. Completion of the exploratory well is expected to be mid-August 2008. Property has been acquired for the well-reservoir site above Kahuku Park, and 3 acres at Lehua and the Belt Highway are in escrow for the spigots and standpipes. Park-like amenities for the filling station (restrooms, etc) will be dependent upon available funds.

Both time and money may preclude the development of a second well within the scope of this project, which was originally proposed to provide a single well.

Loren Heck, Water Commissioner

Letter from the President

continued from Front Page ...

stalled a speed bump near the entrance to our Kahuku Park and saw a distinct improvement. The Board is considering installing speed bumps at 4 to 6 key boulevard intersections, with rumble strips and signs warning to slow down and stop. If they accomplish our goal to achieve safer driving conditions on our roads, you can expect to see more. You may have noticed truck route signs posted on Aloha, King Kam, Kailua, parts of Trade Wind, and Marlin Blvds. This is designed primarily for the large haulers delivering cinder from the cinder pits at the top of the subdivision to other parts of the island. We need them to stay on the Boulevards, which are designed and fortified to take heavier traffic. It is on some of these intersections that we hope to soon install speed bumps.

On to the endless problem of abandoned vehicles. It may never be solved, but we are trying very hard to keep up with it. Our A&O Director Mele Smith has a good working relationship with James Isa, the head of Environmental Waste Management for the County of Hawaii. He told Mele that last year's removal of vehicles cost the County about \$70,000, and that he has a spending limit. The Board has discussed the possibility of using infrared cameras to catch those responsible for dumping cars and trash at night.

A large part of our capital improvement this year was the purchase of 6 acres adjoining our base yard. A safe entrance and exit off Aloha Blvd. now leads to an area where cinder can be picked up, and where green waste can be delivered for future chipped compost. Driveways, a parking area, and building pads have been completed.

Cinder sales have been increasing steadily. One Kona business that sells cinder from their pit in HOVE was concerned that the Road Corp. is illegally selling cinder and unfairly undercutting him. Since HOVE is zoned for agriculture, and the cinder is used for landscaping and agriculture, Hawaii

County Code Section 25-5-72 permits us to sell it. We provide cinder to lot owners, charging only for our time and labor. This cinder belongs to HOVE residents, as members of the corporation. We believe the price charged to non-HOVE buyers is fair and compares to market value.

The crew has commenced the chipping of green waste; we can accept brush and tree limbs up to 9" in diameter. Grass, weeds, and Christmasberry are not accepted because seeds will spread invasive species. Treated lumber and waste are also not accepted. As our inventory of chipped material increases, you'll be able to purchase wood chip for \$5.00 per cubic yard (\$7.50 to non-HOVE buyers) on the same days we sell cinder.

After 17 years of excellent service, Rudy Kaupu is resigning his position as Mechanic Operator. He was a fine employee, and as our crew generally seems to do, worked through the many changes that took place in management and operations. We thank him for his dedication and wish him well with his future endeavors. We are not planning to replace him, and expect road crew labor to be slightly reduced as a result. Repairs needed on the new equipment will probably be contracted out.

Our expenditures in relation to lines 15 and 16, office and road crew labor, came in over budget. We moved two part-time road crew employees to full time and hired an additional full-time employee for the crew. This was to live up to our promise to paint safety lines on the roads and install much-needed signage. Safety is a major concern on our roads. It's not surprising that budget line 26, traffic signs, poles & paint is also over budget. Our proposed budget for 2008 is set to a more reasonable expectation. Other overages in the budget were largely caused by increases in the cost of oil and other economic influences which could not have been predicted at the time the 2007 budget was developed. Despite rising costs, we have kept the road assessment at \$90.00 and ask for your approval.

Articles and Bylaws Additions

(continued)

thirty (30) days before the date fixed for such meeting. *Such notice shall be in writing and shall be sent to the owner at his residence address or his usual place of business, as it appears on the books of the Corporation, by mail, first class, postage prepaid, addressed to him at such address...*

The addition would include:

Such notice shall be in writing and shall be sent to the owner at this residence address or his usual place of business, as it appears on the books of the Corporation, by mail, first class, postage prepaid, addressed to him at such address or electronic transmission if elected by the member...

Article 1 "Definitions" would include: 1.12 "Send Notice" means to send by first class mail or any form of electronic transmission, if a member elects to receive such electronic transmissions.

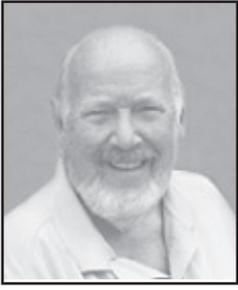
Frequently Asked Questions (continued)

the roadway, because of line-of-sight issues and safety. By parking on the roadway, you endanger your own vehicle and the lives and vehicles of your neighbors. You should park on your own property.

Is there a Supermarket in Ocean View now?

We are very happy to be able to answer with a resounding "Yes!" After almost a year without a "big" store, we now have a beautiful new Malama Market, in the old Kamigaki location below the highway, and another new store (Kamigaki's new location) should be opening on this side of the highway before the end of the year. *Mahalo* to the folks at the Kahuku Country Market, who worked so hard to fill the gap.

~Returning Board Members~



KEN WICKS *Elected to fill a vacant position; Ken wishes to continue serving on the board for a new term.*

I have lived in Ocean View since 1994 and have seen very positive growth and progress in all aspects of the community. I am especially impressed by the professionalism of the Road Corporation administration and upkeep of our roads. For the past year and a half I have served on the HOVERMC Board of Directors, as well as filling the position of President of the Ocean View Chamber of Commerce. I would like to continue to do so. I hold a Bachelor of Science Degree from Western Oregon State College, and taught Science in a rural Alaska school for 20 years.

LOREN HECK *Loren has been President for the last four years, and hopes to be re-elected to that position.*

In his 19 years in Ocean View, Loren Heck has held positions on nearly every Board in the District. He is the owner/operator of New Fields Nursery and Protea Farm, a Past President of the OVCA, and a Board Member of the Hawaii County Department of Water Supply. Loren has been President of the HOVERMC for a total of five years, having served as Interim President in 2003, and has been on the Board of Directors for over six years.



~Board Nominees~



VALERIE TUDOR

Valerie Tudor is experienced in financial and construction matters, and has been active in Public Affairs and Public Relations for several years. A retired teacher, Valerie divides her time between homes in California and Ocean View. She has been involved in both short and long range planning projects and has been on the Calaveras County Board of Education for 16 years. She is also a member of the White Pines Park Committee, which created and maintains a park area on the shore of White Pines Lake in Arnold, CA.

DAVID DALLEY

David Dalley grew up in New York City, and left in 1989 to study in Phoenix, Arizona. After finishing school he made the move to the Big Island, where he began his carpentry apprenticeship with the HI Local Union 745. He worked as a carpenter and millwright in Hawaii, Arizona, and Georgia, where he started a trucking company in July 2000. He dispatched up to 30 trucks per day, working closely with construction and paving companies. In January 2005 David returned to Hawaii. He lives in south Kona with his wife Amy, a former teacher at Hookena School, and their five young children.



JOHN GARNER

John Garner has over 30 years' experience in Construction Management, handling Military projects, Government and Commercial buildings, including the Onizuka Building at Keahole Airport and The Lodge at Koele on Maui. In addition he has over ten years' experience in Commercial Management, and was the president of a Home Owner's Association on Oahu for 12 years. He has lived in Hawaii for 20 years, and in Ocean View for over three years.

ON THE REVERSE SIDE OF THIS PAGE YOU WILL FIND YOUR BALLOT

It is important that you vote on the issues included; it is your opportunity to be counted and express your ideas.

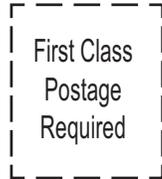
PLEASE FOLD AND MAIL THIS ENTIRE PAGE, including the attached mailing label*, to the address printed below. To be counted, **your vote must be received no later than September 30th, 2007**, as the League of Women Voters requires this time to tally votes. Please allow SIX DAYS mailing time from the mainland.

***The number in the corner of your mailing label represents the number of lots you own.** You have one vote per lot, per board member; you may split your votes however you wish. That is, if you have one lot and there are two people on the ballot, you have TWO votes; you can cast one for each candidate, or both for the same individual. Consolidated lots have one vote, regardless of acreage. **If the number on your label is incorrect, contact us.** DO NOT ALTER THE NUMBER ON YOUR LABEL; if it is altered the League of Women Voters will NOT accept your vote.

PLEASE DO NOT SEND PAYMENTS TO THE ADDRESS BELOW!!

please tape or staple only once

----- FOLD -----



**KONA LEAGUE OF WOMEN VOTERS
P.O. BOX 4478
KAILUA-KONA, HI 96745-4478**

----- FOLD -----



RETURN SERVICE REQUESTED

Ocean View, HI 96737

P.O. Box 6227

HOVE ROAD MAINTENANCE

HOVE ROAD MAINTENANCE • 2008 BALLOT

MUST BE RECEIVED BY THE LEAGUE OF WOMEN VOTERS BY SEPTEMBER 30, 2007

- I approve the addition to the Bylaws (Electronic Transmission) _____ YES _____ NO
- I approve the removal of HOVERMC Director Eleanor Shannon _____ YES _____ NO
- I approve the Year 2008 assessment of \$90.00 per lot. _____ YES _____ NO
- I approve the Year 2008 Budget _____ YES _____ NO
- I approve the Year 2008 Road Plan _____ YES _____ NO

Board Members *(Each lot owned gives you one vote for each open seat on the Board. We have four open seats, therefore, you have 4 votes for each lot you own).*

- Ken Wicks _____ Loren Heck _____
- Valerie Tudor _____ David Dalley _____
- John Garner _____

COMMENTS AND SUGGESTIONS:

A Letter from the President



The price of oil is, and will be, a major influence on all of our costs of living for some time to come. Though our road oil, fog seal, and general gasoline expenses have increased dramatically, the Board of Directors has recommended not raising the road assessment for the year 2009. Thanks largely to our front four,

Mele, Kristyn, Teddi and Madison, road assessment collections and records are up to date, and we have a solid base of income. In addition, Sita Peacock, Senior Financial Advisor at Merrill Lynch, continues to show a positive return of 7.45% current yield long term and 2.8% return on current yield short in our Investment Account. Finally, income from the distribution of cinder to Ocean View residents has helped to offset unexpected cost increases.

The days of having a front office consisting of a single "Managing Director" handling the Corporation are long gone. The last 5 years have brought substantial growth and efficiency to the front office. Office expenses are higher than they were five years ago, for obvious reasons. However the cost is more than justified when it leads to up-to-date records, accurate collections, and a smooth running office with proper checks and balances. We have the utmost respect for our office staff.

There are three proposed changes to the Articles of Incorporation and Bylaws, for your review. Please consider them carefully before voting for or against. These changes will have a significant impact on property owners.

The first change is regarding Article I, Section 1.3: The intent is to change the annual assessment application from "per lot" to "per acre".

The concern of the Corporation is that, as property owners continue to consolidate their lots, our annual income from road maintenance assessments is reduced year by year. A property owner who consolidates five one-acre lots into a single lot pays an assessment of \$90.00 for one instead of \$450.00 for five. In addition to the loss of revenue to the corporation, which will result eventually in higher assessments for everyone, many residents feel that this arrangement is grossly unfair to single-lot owners. Others point out that, since consolidated acres are restricted to one dwelling, they have the same road use potential as one acre. Some lot owners who have consolidated may have done so for the specific purpose of reducing their assessment burden. We are considering a 'grandfather clause' for lots already consolidated, or a reduced rate per acre for consolidated lots; there may be other possibilities. The Bylaws change only alters the definition of the word "lot" ... any decision on an assessment change will be discussed with the shareholders well in advance. You will find the wording for the Bylaws change on page 2.

The other recommended additions deal with the possibility of forming a subsidiary corporation to pave driveways within the subdivision, including the possibility of doing outside roadwork. A bit of history: on April 16th 1997, then-HOVE Road Maintenance President "Tito" Haggardt signed a document creating Section 9 of Article VII, "To allow road maintenance personnel to engage in outside road-related work, such as road maintenance, road building, and driveway and parking lot construction, to supplement funds available to the Corporation for roadway purposes." This change had overwhelming support; votes were 15 to 1 in favor. However, the following year, the change was rescinded by a vote in the opposite direction. As I recall, based on the wording of the change, there was concern over liability issues, and whether it would stretch the road crew too thin. I voted in favor of rescission.

Continued on Page 11

Board of Directors

President.....Loren Heck
 1st Vice President.....Ken Wicks
 2nd Vice President.....Randy Van Leeuwen
 Secretary.....Mary Kastle
 Treasurer.....Rell Woodward
 Members: Bill Vinson, Valerie Tudor,
 Jack Garner

Where to Find Us

Our business office is in the
Ocean View Town Center
 near the Ace Hardware, bottom of Lotus Blossom Lane
 P.O. Box 6227, Ocean View, HI 96737
 Phone: (808) 929-9910 • Fax (808) 929-9623
 Toll-free Phone: 1 (866) 241-7294
 On the Web: <http://www.hoveroad.com>
 E-mail us: office@hoveroad.com

2008-9 Administrative/Operations Report

Bylaws Committee

Chairperson: Mary Kastle

Electronic Transmission

Last year, the H.O.V.E. Road Maintenance Corp. initiated an Articles and Bylaws change to include Electronic Transmission. This permits our Corporation to make use of internet technology. The amendment incorporates a variety of protections regarding the use of electronic communication. Please note that the Board and members are not required to use electronic communication, instead members and directors must consent to receive electronically transmitted notices and provide direction on the address to which such transmission should be sent and the format in which it must be transmitted. A member or director may also revoke his or her consent at any time. The consent is presumed revoked if there is a failure to transmit two consecutive notices and the person responsible for transmitting the notice is aware of the failure. If the corporation inadvertently does not treat such a failure as a revocation, however, the corporate action is not invalid.

The definition of "electronic transmission" has a safeguard as well. A record is not electronically transmitted within the meaning unless both the sender and the recipient can retain, retrieve, review and reproduce the communication. **If you would like to sign up for electronic transmission, please fill out the form on page 11 and return it to the HOVE RMC office at P.O. Box 6227, Ocean View, HI 96737.**

Proposed Changes to the Articles of Incorporation

ARTICLE VII would be amended to add the following verbage:

9a) To perform work on private driveways within HOVE on a contract basis to generate income, all of which shall be used to ameliorate the amount required from our shareholders to support the Corporation. The individuals or entities receiving such service will pay for all materials, labor, equipment costs, and any additional liability insur-

ance required, plus a fee to HOVE Road Maintenance Corp. That fee will initially be 15% of all the aforementioned expenses. The fee charged for work on private driveways can be changed, as needed, by a vote of a majority of the Board of Directors at any meeting of the Board where a quorum is present.

9b) To perform work on other private road systems in the Ocean View area on a contract basis to generate income, all of which shall be used to ameliorate the amount required from our shareholders to support the Corporation. The individuals or entities receiving such service will pay for all materials, labor, equipment costs, and any additional liability insurance required, plus a fee to HOVE Road Maintenance Corp. That fee will initially be 15% of all the aforementioned expenses. The fee charged for work outside of the HOVE subdivision can be changed, as needed, by a vote of a majority of the Board of Directors at any meeting of the Board where a quorum is present.

Proposed Change to the Bylaws

In ARTICLE 1. DEFINITIONS, *the current wording is as follows:*

1.3 "Lot" means each of the subdivided lots designated and shown on the map of the Hawaiian Ocean View Estates, duly recorded in the Bureau of Conveyances of the State of Hawaii as File Plan Nos. 692, 738, 787, and 1011 in Liber 4255, Pages 474-476, except that contiguous lots that have been consolidated as one tax map key number shall be considered one lot.

The proposed change would be:

1.3 "Lot" means each of the original lots designated and shown on the original subdivision plat maps of the Hawaiian Ocean View Estates, duly recorded in the Bureau of Conveyances of the State of Hawaii as File Plan Nos. 692, 738, 787, and 1011 in Liber 4255, Pages 474-476.

VOTE
for or against these changes on
your ballot, Page 14!

Budget & Finance Committee

Chairperson: Rell Woodward, M.D.

2009 Assessment

Though costs are increasing, we have managed to maintain our investments, and the Board has voted to keep the annual assessment at \$90.00 per lot for a third year. We accept check, cash (at the office only), money order or Visa/MasterCard. You may mail your payment to us, or call us with a credit card payment at 808-929-9910 (toll free 866-241-7294). Do not send cash! If you own multiple properties, you may pay with one check. Please enclose the top portion of all statement(s) with your payment. You may also go to our website to make a Visa or Master Card payment online. Please fill in the online form completely so we can credit your account accurately.

Payment Plan For Past Due Accounts

The Corporation has initiated a payment plan for members whose accounts have fallen behind. A Payment Agreement will allow the member to make monthly payments to their road assessment and, instead of being charged a 12% finance charge at the end of the year, you will pay only a \$10.00 late charge. This is a huge savings for those who are seriously delinquent. Payments must be consistent or a lien will be placed on the property; if a lien is already in place, default on the payment plan will initiate a foreclosure on the property per Corporation Articles & Bylaws 5.11. If default occurs you will be removed from the payment plan. As with any lot remanded to foreclosure, payment in full will be required. If you have not already joined our payment plan and wish to, please contact the RMC office at the numbers listed above.

Revenue

The Corporation receives its revenue from the annual road assessments charged to each property owner. Due to the collection of past due assessments,

continued on Page 4

~ Proposed Budget for 2009 ~

*For a copy of the 2009
proposed budget, please
contact the HOVERMC
Office at (808) 939-9910 or
866-241-7294 Mahalo!*

Administrative/Operations Report continued ...

finance charges, liens & release fees, transfer fees and cinder sales, the Corporation continues to keep assessments at a low rate. Added income from past due assessments is decreasing as the office has been diligent in collections.

The Corporation reinvests this income into the Merrill Lynch operating and investment accounts, which in return earn dividends and interest. Both accounts combined have a little more than 1.3 million dollars in cash and investments. Following is a chart showing revenue received.

Revenue 2007

Assessment Income	\$662,272.47
Past Due Income (<i>includes finance charges, lien fees, etc.</i>)	\$360,105.98
Transfer Fee Income	\$11,775.00
Cinder Loading Income	\$72,116.25
Dividends/Interest Earned	\$107,995.40
TOTAL REVENUE	\$1,214,265.10

The proposed budget for 2009 is on page 3. Voting for the Budget is on page 13.

Legal Committee

Chairperson: Loren Heck

Liens and Foreclosures

The Corporation will hold its first foreclosure auction this year. The Corporation has the right under its Articles and Bylaws to lien and foreclose properties in default of their road maintenance assessment(s). By the bylaws, assessments are delinquent sixty (60) days after the due date, and may be liened at that time. One calendar year after the lien, the Corporation has the right to foreclose on the property.

In actual practice, we generally do not lien until a property is three years delinquent, because the cost is prohibitive, and most people who miss one year catch up the next. While we have had the right to foreclose since the court settlement of 1986, we have never before done so. However, a number of property owners have flaunted our leniency for years. This puts an unfair burden on responsible owners, who are by far in the majority. Our corporation lawyer is currently processing 27 properties for foreclosure, and we have already accumulated a list for next year.

A date for the auction has not

been set, but we expect it to be in the fall. Information on these properties will be published on our website and posted at the usual locations in the community thirty (30) days before the date of the auction. No pre-publication information will be available to any parties before that date. Sorry, no exceptions; it's the law. Properties foreclosed will be sold at public auction in the manner defined by the laws of the County and State of Hawaii.

Personnel Committee

Chairperson: Mary Kastle

The Personnel committee has worked very hard to establish policies and procedures for our employees. A pay scale has been created, along with an employee handbook, which has been signed by all the employees. The Corporation thanks its employees for their diligence in keeping our roads safe. The road crew includes Foreman Mac Kaupu, Crispin Navarro, Ladd Hashimoto, Byron Jones, Justin Santos, Aaron Puou, Deltan Castillo-Navarro, Jonathan Navarro, Elias Navarro, Dallas Watson, Clayton Haina Jr. and Kieth Estabilio. The office staff is A & O Director Meleana Smith, Kristyn Haina, Teddi Stransky and Madison Kaupu. MUCH MAHALO!!

OPERATIONS REPORT

Building and Equipment Committee

Chairperson: Randy VanLeeuwen

The Building and Equipment committee recently voted to replace the F350 dump truck, due to increasing maintenance costs. It can no longer efficiently handle the work load. We have purchased an F550 with dump to help improve and manage our road work.

An amendment to our Special Permit was approved in June of 2008 and we will be building an equipment storage building and an office building in the upcoming year. Contractors interested in bidding on the office building may call 808-929-9910 for more information.

Road Maintenance Committee

Chairperson: Randy Van Leeuwen

2009 Road Plan

Due to the unavailability of oil in 2007 and increasing oil prices in 2008, our 2009 Road Plan will consist of the unfinished sections from the last two years. We need to catch up before outlining new work. Thus, the 2009 road plan includes work on one hundred sixty seven (167) linear blocks within the subdivision (see the Road Plan Map on page 5). Dotted lines indicate the area we will be working in. In this area we plan to rebuild five (5) linear blocks. This includes the area around the cinder pits, which has become very hazardous; the roads need to be widened and repaved to 24 feet. We will also be doing sixty eight (68) linear blocks of fog seal and painting, forty three (43) linear blocks of patching, thirty eight (38) linear blocks of re-chip, twelve (12) intersections with line of sight obstructions and one (1) encroachment issue.

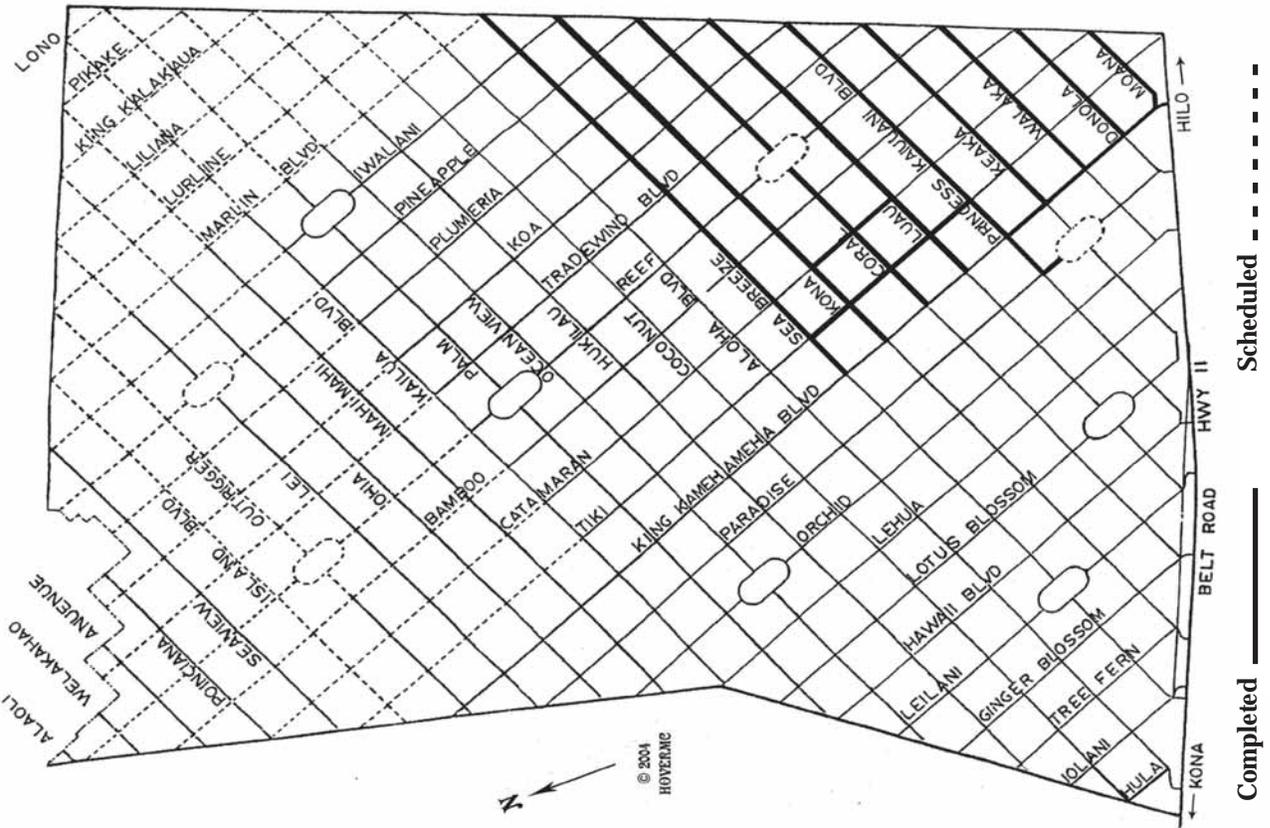
We will continue our regular road maintenance of mowing, sweeping, and responding to member requests in regard to potholes, signs and road emergencies. Paint striping will continue on streets not shown on the road plan for safety reasons. Members who live on the roads where we will be working will receive a letter about 60 days prior to the commencement of work, notifying them of the upcoming construction. To vote for or against the 2009 Road Plan, see page 13.

Chip Seal

Ocean View roads have been paved with chip seal for over 15 years. Chip seal consists of a layer of asphalt binder overlaid by a layer of embedded aggregate, which furnishes, among other things, protection to the asphalt layer and a macro texture that creates a skid-resistant surface on which vehicles may safely travel. The use of chip seal and similar surface treatments began in the 1920's, primarily on low-volume gravel roads. Since then, the use of chip seal has developed into an efficient,

continued on page 5

2008 - 2009 Road Plan



cost-effective surface treatment for both low and high volume roadways. Its popularity is due to a favorable cost in comparison with thin asphalt and its ability to extend the life of the underlying pavement surface. The chip seal process has allowed the Road Maintenance Corp. to maintain the roads cost effectively and in a timely fashion. We need to remember that high speeds are a factor in the premature deterioration of any roadway; thus, our speed limit of 25 mph.

Roadway Restrictions

Please do not plant or build anything (shrubs, walls, fences etc.) beyond your property lines. If you have a rock wall, fence or any type of plantings which are encroaching onto the easement we will eventually have to ask you to remove them. If you fail to remove them, the encroachment will be removed by the Corporation at your expense. For photos of typical encroachments, visit our website at <http://hoveroad.com/> and click on 'Encroachments' in the left column.

Do not construct your driveway beyond your property line. We have initiated a process in which the road crew ties in your driveway to the road by putting in a chip seal 'apron' from your property line to the pavement. If you have a new or old driveway that needs to be tied into the road, please give our office a call to schedule it. Scheduling is based upon the availability of materials and labor.

Please don't damage road signs or poles. The cost of replacing signs and poles ranges from \$50-\$400 apiece, and will affect the property owners' road assessments. If you see anyone damaging signs and/or poles, please report it to our office immediately. The Corporation is offering a \$500.00 REWARD for information leading to the arrest and conviction of those persons vandalizing corporation property.

C I N D E R
is available to all HOVE property owners; you pay only a loading fee. Loading schedules vary depending on the crew's schedule; please call the office for current information!

Membership Committee

Chairperson: Mary Kastle

Newsletter

This years' newsletter is structured a little differently; we have included reports from each committee giving the main points of discussion during our committee and board meetings.

Voting

On the back page of this newsletter you will find several items to vote on, including the Board of Directors, Assessment, Road Plan and Budget for 2009, and three Articles/Bylaws changes dealing with lot consolidations and the possibility of paving driveways and doing outside work. Details on these topics are found under the Bylaws Committee heading.

We realize that the cumulative voting procedure can be difficult to understand. Under this system, voters are given a specific number of votes, to be distributed amongst candidates on

Continued on next page

Administrative/Operations Report continued ...

a single ballot. Typically, this is done by making a mark for each vote beside the desired candidate's name, or writing in the desired number of votes for each candidate. The voter is given one set of votes for each lot owned. As an example, if you own two lots and there are three board candidates, you have six (6) votes to be distributed between the candidates. Formula: 2 lots x 3 candidates = 6 votes.

Details of the Articles and Bylaws changes can be found in the Bylaws Committee section. Voting for these issues is done by 'affirmative voting,' which means you may vote for or against the changes. The number of votes you have on these issues is one for each lot you own.

Ownership & Address Changes

If you sell your property, particularly if it does not go through escrow, please let us know! With over 11,000 lots to keep track of, if the property does not go through a local escrow company, we have no way of knowing. It is the seller's responsibility to inform us. We need a copy of the notarized or filed deed (fax is fine) and a transfer fee of \$25.00 per property for ownership changes. Local escrow companies know to notify us of the transfer, collect the fee and provide us with the necessary paperwork; if you use a non-local escrow, please inform them of our existence to avoid complications.

If your address changes, notify us as soon as possible. We are not affiliated with the County of Hawaii Real Property Tax or any other State or County entity, and will not be notified by them. Please send your address change or correction to us directly. Thanks!

Safety Committee

Chairperson: Randy Van Leeuwen

Speed Humps

The corporation will be installing speed humps in certain areas of the subdivision. These are intended to reduce traffic speeds in the immediate vicinity, decrease "cut-through" traffic and reduce accidents. Though we

know that speed humps are a nuisance, we believe that overall they will be a safety asset in H.O.V.E.

Speed Limit

Please observe the 25 MPH speed limit. Our roads are designed to handle vehicles traveling at this rate of speed. Higher speeds will not only hasten the deterioration of the roads, but are a major cause of accidents within the subdivision. We may also institute a lower speed limit around bus stop areas, for the safety of our children. Please slow down and be safe!!

Traffic Conditions

Our research shows that more than 1000 vehicles enter or exit H.O.V.E. every day. More than fifty big rigs (cement, construction, general hauling) are entering or exiting the subdivision daily. Over 75% of vehicles traveling within the subdivision are driving faster than the speed limit. We are always searching for ways to improve safety and driving conditions of our roadways. According to the Community Development Corporation's dwelling survey, more than 6500 people are now living in H.O.V.E. A lot more vehicles are traveling our roadways than a decade ago. We ask that you do your share in keeping our roads safe.

Parking Along the Roadside

Some property owners are parking vehicles or "storing" personal property on the roadway easements. Parking along side the roadway is illegal throughout the subdivision. Roadway setbacks are for utilities and signage, and may be used for emergency pull over only. Parking on the easement creates line-of-sight issues and hinders us from mowing in areas with heavy vegetation. If you have a vehicle or any other type of personal property within the roadway setback, it must be moved. If these obstructions are not moved, we can legally have the vehicle towed at the owner's expense. Personal property left on the easements will be removed for safety reasons and the items will be disposed of. The property owner will be charged for labor if the items are found

to be related to him or her.

Illegal Dumping/AV's

The Corporation will not tolerate illegal dumping on our roadways, including abandoned vehicles. We need your help to continue reporting dumping along the roadway, of any kind, to our office at 808-929-9910 or the Hawaii County Police Department. The Corporation is offering a \$500.00 REWARD for information leading to the arrest and conviction of persons illegally dumping along the roadway.

Truck Routes

Our Truck Route has been expanded to add Tradewind Boulevard, from Kailua Boulevard to Poinciana Drive. Truck Route maps, weight limits and other criteria will be available online at <http://hoveroad.com/map>

Evacuation Routes

Evacuation Routes have been established to facilitate the safe evacuation of our community members in the event of an emergency. The Corporation will focus on keeping these routes clear of obstructions during a hurricane or other disaster. Secondary streets will be cleared only after the main routes have been made safe. An Evacuation Route map may also be found at <http://hoveroad.com/map>

THE HOVERMC ANNUAL MEETING

WILL BE HELD

OCTOBER 11, 2008

**at the O V C A Community
Center, on Leilani Circle, from
10:00 am to noon.**

Please Join Us!

Living with the Volcano

How does the increased volcanic activity affect Ocean View?

Can you still breathe the air there?

Is everyone wearing gas masks?

We get many questions, particularly from mainland owners, about the recent upswing in volcanic activity here on the Big Island.

Kilauea, and in particular Pu‘u O‘o vent, has been producing ash and gases for many years, resulting in the ‘vog’ that has hazed our air since the early 80s. With the new vent in Halema‘uma‘u, which opened on March 19, the quantity of gases emitted has effectively doubled, and concentrations have reached levels which can sometimes be hazardous. The most dangerous of these gases is Sulfur Dioxide (SO₂). On days when vog and SO₂ levels are high, we have been advised not to engage in strenuous sports, heavy labor or outdoor activities that would cause us to “mouth-breathe.”

What is Vog?

According to scientists at the Hawaiian Volcano Observatory, “*During its journey through the air, SO₂ reacts with oxygen, sunlight, and water to form vog, a mixture of gas, ash, and tiny sulfuric acid aerosol droplets. The acidic droplets in vog are small enough that they can be inhaled deep in the lungs and can pose health problems.*” While vog always carries some burden of SO₂, SO₂ can also be present without any associated haze. It is a colorless gas, virtually odorless at the concentrations we experience, and heavier than air. When present, it is constantly moving with the breeze and appears to concentrate in low spots.

Kilauea (the location of both gas vents) is now producing 4,000 tonnes of SO₂ per day, resulting in higher concentration levels in downwind areas within 50 miles or more of the source. The towns of Pahala, Na‘alehu, Waiohinu and Ocean View are the main

areas affected at this time, although varying winds can carry the emissions anywhere in the state.

Hazardous Levels of SO₂

All of us in the southern part of the Big Island feel the effects of low-level exposure over the long term; congestion, runny noses and itchy eyes are the usual complaints. For most healthy people it is more of a discomfort than a hazard. However, for sensitive people (children born prematurely, asthmatics, those with respiratory or cardiac conditions, etc.) even fairly low levels of SO₂ can cause problems.

According to authorities, the SO₂ concentration that becomes an immediate “threat to health” is 100 ppm; the LCLo (lowest published lethal concentration) is 1,000 ppm. Scientists with full respirators have measured the actual plume at Halema‘uma‘u at 300 ppm. The county’s color-coded alert system’s highest level (purple) is set at at 2 ppm (parts per million) SO₂.

While the officially published “high” reading in our area is 5 ppm, it appears the current methods used to detect the constantly-varying SO₂ levels are not very efficient, and higher levels sometimes go undetected. Individuals in HOVE who own calibrated, personal SO₂ monitors have reported spikes as high as 21 ppm for brief periods. Fortunately these levels usually do not linger, however, levels as high as 6.9 ppm or more have been recorded within the subdivision for periods up to two hours. Those who are sensitive or have pre-existing respiratory conditions can be strongly affected by levels this high.

Before we scare you to death, please understand that levels in Ocean View are usually too low to even be detected on a monitor (less than .3 ppm). However, we have days when vog is exceptionally heavy, and SO₂ levels unusually high. We have been told

that moderate vog conditions are comparable to big-city smog.

Few studies have been done on long-term, low-dose human SO₂ exposure, such as we are experiencing now. Most information comes from animal studies. It appears from those studies that the levels we are subject to currently, while they may cause irritation, are not likely to cause serious problems for the healthy population. The OV CDC, OVCA and local health authorities are working to get a good study which will examine the long-term effects of SO₂ exposure in Ka‘u.

Water Catchment and Acid Rain

Trisha Macomber of the University of Hawaii at Manoa, says that acidity is not a problem for the human body; we eat and drink highly acidic things every day. The hazard with ‘acid rain’ is for those who have older roofs and guttering, which may contain lead or be fastened with nails containing lead. Acidic rain can leach lead into your water supply. If you suspect your roofing, it would be wise to not drink your catchment water or use it for cooking.

If you are concerned about your catchment, a pH at or above 5.5 is good, and below 5 is acidic. If the pH is below 5, adding a 1-lb. box of baking soda per 10,000 gallons in your tank should suffice. Test strips are available at Walmart; swimming pool pH kits work fine.

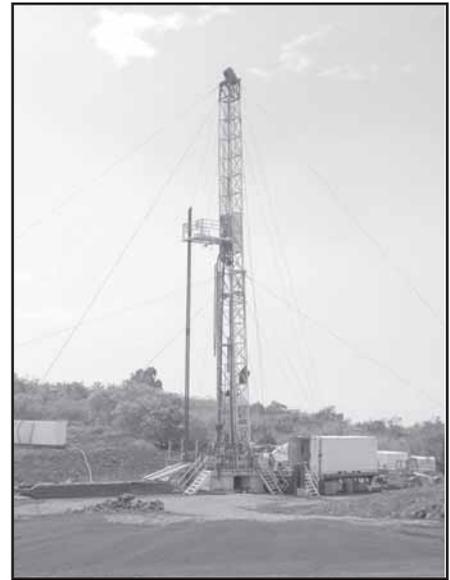
There is no way of knowing how long this situation will continue; it could end tomorrow or go on for years. Obviously we can’t control the volcano ... Pele will do as she pleases regardless of our wishes.

For more information and current updates, you can visit the Hawaiian Volcano Observatory website at <http://hvo.wr.usgs.gov/> — they have a history of the current eruption, regular update articles, downloadable brochures, and photographs.



Our wonderful Road Crew. From left to right, front row: Jonathan Navarro, Aaron Puou. Middle row: Foreman McKinley Kaupu, Deltan Castillo-Navarro, Byron Jones, Crispin Navarro, Ladd Hashimoto. In back: Elias Navarro, Justin Santos, Kieth Estabilio and Dallas Watson. Not in photo: Clayton Haina Jr.

The Well Goes In!



Ocean View's well is being drilled!! Located on Paradise Circle, above Kahuku Park, it's expected to be in full operation by August of 2009.



There will be plenty of warning for the new speed humps, which are currently being tested on Aloha Boulevard at Hawaii Blvd, and other target locations.



Princess Kaiulani Blvd. has been widened and resurfaced from King Kamehameha Blvd. down to Hawaii Blvd.

Who do I contact for ...

House Number / Physical Address....	County of Hawaii	808-961-8469
Electrical Service	HELCO	808-969-6999
Propane Service	The Gas Company	808-935-0021
Telephone Service	Hawaiian Telecom	808-643-3456
Report Abandoned Vehicles		808-935-3311
Time of Day	(Hawaiian Time!)	808-974-6025



Frequently Asked Questions

Who are you and why do you assess for road maintenance?

We are a 501(c)4 nonprofit corporation, established by the courts in the mid-1980s to rebuild, maintain and improve the 157 miles of road in the subdivision. Since we are not State- or County-supported, property owners pay a yearly assessment. The roads belong to all who own property here; we are simply the custodians.

Can you give me information about my land?

We can tell you the location of your property, and its approximate altitude above sea level. We can give you information on the community and lifestyle. We can give you an "educated guess" as to the terrain in your area, based on the topo maps we have in the office. We can *not* tell you about your specific lot's features, whether you have neighbors, etc.

Is there a fire station in Ocean View?

Yes! The community built it, and it is staffed by both professionals and trained volunteers. The Fire Station also houses our own ambulance, and firemen and professional EMTs are on-site 24 hours a day.

What is my property worth?

We are not in a position to know the values of property; while we see the lots changing hands, we do not see the prices paid. Feel free to call us for the numbers of some local realtors.

What about water?

Household water here is by catchment. There are no water mains or sewers. Each home must have its own catchment tank, which is filled by rainwater from the roof. During dry spells, we buy water by the truck-load. Septic tanks are required by the County for all new homes. Great News ... the well is being drilled at this time in HOVE. For more information see the article on page 11.

How can I prevent dumping on my property?

Don't encourage it! If you are not yet ready to build, don't bulldoze or put in a driveway. Dumpers are looking for easy access; if your undeveloped property is already easily accessible, put up a fence. Dumpers are lazy; otherwise they would take their trash to the transfer station like the rest of us. Don't make it easy for them!

Do you remove abandoned vehicles?

County law does not allow us to do so. However, our crew and office are very active in reporting AVs to the Police, and in urging the County Waste Management Division to move them out once they have been re-

ported and tagged. **We still have in place a policy offering rewards** for information leading to the arrest and conviction of persons dumping AVs in the subdivision! For information on the recent cleanup of abandoned vehicles, see the article on page 10.

Why can't we park on the road?

There is no parking of any kind on the roadway or easements. In addition to it being a ticketable traffic violation, we ask that you not park on the roadway for your own safety. By parking on the roadway, you endanger your own vehicle and the lives and vehicles of your neighbors. You must park in your driveway or a pull-off area on your own land.

Some Post Office Improvements

Our Post Office has expanded, with banks of outdoor boxes, and most area residents have a P.O. box at this time. Counter hours, which had been reduced, have now been restored, and a new drop box has been installed which allows us to drop mail without taking up a parking space to do so. However, the existing facility remains inadequate to serve our 6,000 residents.

The OVCDC has been in contact with District Manager Ishizaki, and head of Post Office Operations in Honolulu, Mr. Wolny, as well as with Clyde Tokumura, the Postmaster who oversees operations at our 'substation'. Rell Woodward, President of the OVCDC, has informed us that, according to Mr. Wolny, the USPS "... is, after all, a business. We have re-ordered our priorities, and the islands of the South Pacific have been given high priority. Ocean View has been moved down the list."

The OVCDC will continue to work towards getting our community an appropriately-sized Post Office.

What is OVCDC?

The Ocean View Community Development Corporation is an organization comprised of members of all the major community non-profit groups in Ocean View. OVCDC has worked to facilitate many projects in Ocean View, including the water well, the transfer station and recycling center, Kahuku Park, Pohue Bay access, and improving our postal service. They also umbrella start-up non-profits under their 501(c)3 nonprofit status, including the OV Community Emergency Response Team. They are all volunteers; there are no salaried positions.

The OVCDC is idea-rich, but cash-poor. If you are able to contribute to help your community, it will be very much appreciated. As a 501(c)3 corporation, your donations are tax-deductible. Please make checks payable to 'OVCDC' and send to P.O. Box 7029, Ocean View, HI 96737. Mahalo!

-- Rell Woodward, President

**HOVERMC
ANNUAL MEETING
October 11, 2008
at the OV Community Center
10:00 am - 12:00 noon**

Local News and Views

Bus Shelter Donations

After lengthy conferral with the School Board, bus stop shelters for Ocean View schoolchildren will soon become a reality!

We have received several donations for construction of covered sitting benches for the children to wait for their buses; these donations are going into a special account earmarked for that purpose. We would like to acknowledge those who have contributed; we now have \$480.00 in the account, donated by lot owners all over the United States:

<u>NAME</u>	<u>DONATION</u>
Scott & Theresa Winnopp	\$ 50.00
Janis Wilson Morris	\$ 90.00
Margaret Jasper	\$ 50.00
Thomas Bong	\$ 25.00
Thomas Speer	\$ 30.00
Vincente Minjares	\$ 20.00
Randy Preston	\$ 25.00
Pauline Stewart	\$ 60.00
The Maggi Family	\$ 25.00
Yvonne Dupree	\$ 5.00
Ray & Janice Uchida	\$100.00

In addition, several Ocean View residents have offered to donate materials and help with construction.

THANK YOU all so much for caring about our school kids! We appreciate your help in providing this service. Monetary donations can be sent to the office (please mark them "Bus Shelter" so we will know where to deposit them); if you can donate labor or materials, call the office for more information, or stop by to add your name to our sign-up list.

Promoting Safety

The RMC would like to ask those living in the community to help keep our roads safe. We can fix the roads, put up the proper stop signs and speed limit signs, and keep the easements clear; but we can't prevent certain individuals from driving like lunatics. We keep a list of Safety Watch Reports, which can be helpful to police in convicting known violators. If

you witness someone driving irresponsibly (driving at high speeds, recklessly, passing, running stop signs, etc.), you can turn in a report form. We keep these reports on file in the office, and collate them by tag number to assist police investigations. You can download the form from our website, or stop by and pick some up from the office.

Road Sign Vandalism

Our problems with road sign vandalism continue. In May, a single individual knocked down and damaged twenty-five signs in one night. This is not only very dangerous for residents (two four-way stops were completely without signage until we could get there to replace them), it is also very costly to the community; this one-night spree cost our lot owners over \$2,000.00. The police are still investigating.

The RMC continues to offer a **\$500.00 reward** for information leading to the arrest and conviction of any person or persons damaging, defacing or removing road or traffic signage in HOVE. You will be required to submit a report to the police and/or testify in court to earn the reward. If you have information, please contact the Road Maintenance office at **929-9910**.

REWARD

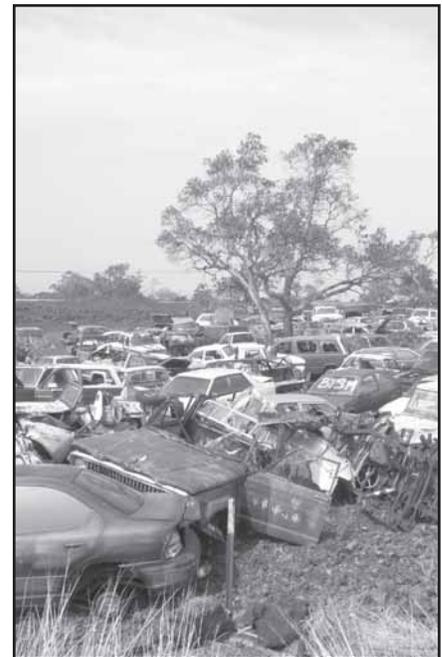
\$500.00

For information leading to the arrest and conviction of anyone vandalizing our signage, roadways, or any other items belonging to the HOVE Road Maintenance Corporation.

Note: to earn the reward, you must sign a sworn statement for the police and testify in court if necessary.

Farewell to Junk Vehicles

The RMC was approached in March 2008 by Mike DuBois, a local activist spearheading an effort to remove abandoned and derelict vehicles from Ocean View. Big Island Scrap Metal was contracted by the County of Hawaii to remove vehicles island-wide in a County cleanup. They hoped to begin their program in Hawaiian Ocean View Estates. While we could not take



Baglow's two acres filled to capacity, more space was needed as derelicts were pulled out of the woods for removal.

part in the actual hauling of the vehicles, we were able to support the project by spotting problem areas, informing residents of the opportunity, and collecting applications for the removal of vehicles. For obvious reasons, the project was wildly popular with the community.

Due to the sheer volume of vehicles reported, it took several months for removal to actually get underway. Local residents Robin and David Baglow offered the use of a two-acre parcel at the bottom of Tiki for temporary staging. When that capacity was exhausted, Stan Troeller at South Point

continued on page 12

Letter from the President

continued from Front Page ...

Forward to 2008 ... we know we can't ask our existing crew to do drive-ways or outside work ... they are busy enough as it is. Our goal is to provide a valuable service by managing a profitable driveway installation business, income from which will help reduce the road assessment. We recommend the re-creation of Article VII Section 9, with more specific wording based on discussions with our lawyer. It remains to be seen whether this concept will pan out, but we need your approval to continue with our investigations and planning.

In the last few years we have purchased newer, more efficient equipment to upgrade the quality of our roads. We still have the older equipment, which is capable of producing good results on smaller projects. The project would require a small, separate crew, and small office support staff to handle logistics, in order to use that older equipment to pave driveways in the Ocean View subdivision, and possibly roads in our neighbor subdivisions. All profit derived from that business would be applied to keep your annual road assessments as low as possible. We hope you will approve the change, so that we can continue with the planning process.

Every year, many lot owners are baffled by how to fill out and return their ballot form. We know it is confusing, but here's how to do it: tear off the entire last page of the Newsletter, mark your ballots, make suggestions and comments, then fold and send the

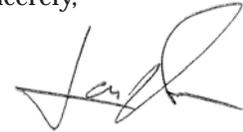
whole page to the League of Women Voters. We realize that this 'damages' your newsletter, but inclusion of the entire page, with the original mailing label attached to that page, is crucial. Our voting process is handled by the League of Women Voters to ensure all elections and ballot decisions are strictly legal, open and aboveboard. They will not accept copies, facsimiles, or any alterations to the ballot or to the label, which contains a number indicating how many lots you own. If you don't follow the above procedure, your vote will be invalidated. *(If the number on your label is incorrect, DO NOT change it. Contact us immediately and we will check your records and send you a corrected ballot page.)*

Each lot you own gives you three votes for Board Members, and a single vote on other ballot items. This is because there are three vacancies to fill. You can cast all three votes for one candidate, one vote for each candidate, or two for one and one for another. In other words, you can cast your three votes per lot however you wish. If you have five lots, you have fifteen votes (3x5) to spread among the candidates anyway you like. Votes on the assessments, Articles changes, and other ballot items require only a single vote per lot you own (5 lots = 5 votes). For more information on our voting process, see page 5 under Membership Committee.

We look forward to your comments and pay attention to them. In response to your votes and comments

last year, we canceled all consideration of "impact fees" or special assessments for those building new homes in Ocean View. You were right, it was a bad idea. Please take a close look at your ballot page. As always, the future is in your hands.

Sincerely,



Loren Heck, President

Ocean View Water Well Update

The well is going in! Drilling started several months ago and is proceeding steadily. Board Member Rell Woodward, who is also on the County Planning Commission, reports that the \$6m in state monies is now fully encumbered, and drilling at the test site is going well. The drilling company and crew on-site seem very experienced and knowledgeable, and have so far dealt with problems such as layers of a'a, blue rock, and a lava tube. It's cost them a few drill bits, but they are working 6-7 days a week on the project and making excellent progress.

The loading site, at Lehua and the highway, has been purchased and a full facility with loading areas for tankers and individuals is in the design stage. Final build-out for of all facilities is on schedule for November 2009.

ELECTRONIC TRANSMISSION

Cut along dotted line or copy

ELECTRONIC TRANSMISSION CONSENT

(type or print in Blue or Black ink)

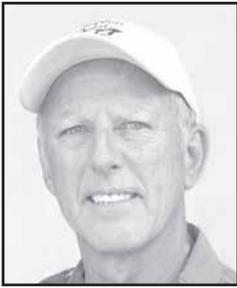
() YES, I, _____ consent to receive and/or send electronic transmission. Please send the electronic transmission in the form of: () HTML () TEXT

Customer No: _____ EMAIL: _____

Signature _____

Mahalo!

~Returning Board Members~



Randy Van Leeuwen

Randy Van Leeuwen has been a member of our board since 2005, and is currently the Second Vice-President. His experience with large equipment, quick mind and business acumen have been invaluable to our Corporation. Randy's pragmatic approach often cuts through to the heart of a problem and expedites a sensible solution. He is seeking re-election to the Board.

Rell Woodward, MD

Rell Woodward, a retired physician, has lived in HOVE since 2006. He is currently the Treasurer of the RMC, and is also a member of the County Planning Commission, President of the Ocean View Community Development Corporation, and extremely active in community affairs. Rell is a proven asset to the Road Maintenance Corporation and is seeking re-election to the Board.



Stephen L Sampson

Prospective Board member Stephen Sampson was born in Oakland, CA in 1943. Part of a military family, he has lived in various places across the U.S., Europe and South America. Mr. Sampson has a BA in Speech, a MA in Drama and a MS in Educational Counseling. A career educator for 36 years, he retired as the Head Counselor of Rocklin High School in June of 2006. He also held a California General Contractors License for ten years.

Pohue Bay Access Remains Elusive

After a year of trying to contact the owners of the coastline property that includes Pohue Bay, members of the OVDC were finally able to meet with a representative of the new owners. The representative, Millie Kim, stated that they were seeking input from the local kupuna (elders) as to what should be done with the property, which has great significance to the Native Hawaiian culture, and is also a nesting area for the endangered Green Sea Turtles. The entire property is part of a large Conservation Area. It was a cordial meeting, but has had no positive results. The OVDC has received a letter denying access to the shoreline. Councilman Bob Jacobson is planning to introduce a bill to acquire an easement through the property to allow residents of the area access to Pohue Bay.

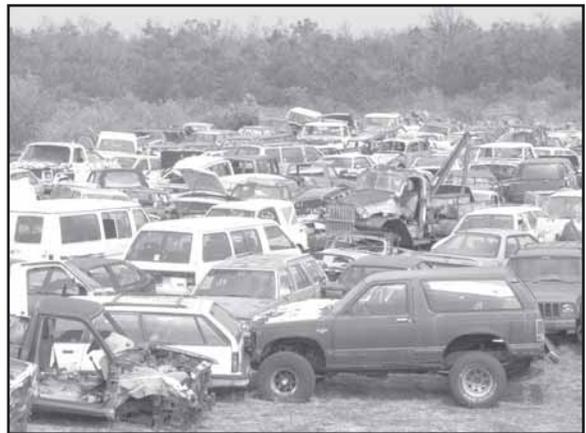
Farewell to Junk Vehicles cont'd ...

U-Cart offered another 3+ acres to support the project. The number of cars and trucks pulled out of the Ocean View Estates and Ranchos is now close to 900! To see them all at the staging sites is impressive.

Final removal has been delayed by a demand from the State for a separate permit for the actual crushing of the vehicles. That permit is underway, and expected to be complete by the first week in August. Meanwhile, a facility has been constructed for the removal of fluids, which incorporates a lift to allow oil and gas to be drained into 55 gallon drums. The whole process takes place in a sealed area, so the process will not contaminate the ground. The cars will then be crushed, loaded

on trucks, and hauled to another site to be baled for recycling.

As we go to press, the predicted start of the removal process is the first or second



Vehicles await the crusher on Stan Troeller's lot.

week in August. A special mahalo to Mike DuBois, our local environmental watchdog, and to the Baglows and Stan Troeller ... none of whom are paid in any way for their kokua.

ON THE REVERSE SIDE OF THIS PAGE YOU WILL FIND YOUR BALLOT

It is important that you vote on the issues included; it is your opportunity to be counted and express your ideas.

IMPORTANT INFORMATION ... PLEASE READ!

PLEASE FOLD AND MAIL THIS ENTIRE PAGE, including the attached mailing label, to the address printed below. To be counted, **your vote must be received no later than September 30th, 2008**, as the League of Women Voters requires this time to tally votes. Please allow SIX DAYS mailing time from the mainland.

The number in the corner of your mailing label represents the number of lots you own. You have one vote per lot, per board member; you may split your votes however you wish. That is, if you have one lot and there are two people on the ballot, you have TWO votes; you can cast one for each candidate, or both for the same individual. Consolidated lots have one vote, regardless of acreage. **If the number on your label is incorrect, contact us.** *DO NOT ALTER THE NUMBER ON YOUR LABEL*; if it is altered the League of Women Voters will NOT accept your vote. Please mail back this entire page, with your name and address label intact. If this label is missing or altered your vote will be rejected by the League of Women Voters.

PLEASE DO NOT SEND PAYMENTS TO THE ADDRESS BELOW!!

tape or staple only once

FOLD

FOLD

First Class
Postage
Required

**KONA LEAGUE OF WOMEN VOTERS
P.O. BOX 4478
KAILUA-KONA, HI 96745-4478**

COMMENTS AND SUGGESTIONS:

_____ Rell Woodward

_____ Randy Van Leeuwen

_____ Stephen Sampson

Board Members (Each lot owned gives you one vote for each open seat on the Board. We have three open seats, therefore, you have 3 votes for each lot you own).

_____ I approve the Year 2009 Road Plan

_____ I approve the Year 2009 Budget

_____ I approve the Year 2009 assessment of \$90.00 per lot.

_____ I approve the change to the Bylaws (outside work)

_____ I approve the change to the Bylaws (private driveways)

_____ I approve the change to the Bylaws (Assessment per acre)

_____ YES	_____ NO

MUST BE RECEIVED BY THE LEAGUE OF WOMEN VOTERS BY SEPTEMBER 30, 2008

HOVE ROAD MAINTENANCE • 2008-9 BALLOT



PO Box 6227 • Ocean View, HI 96737



A LETTER TO THE MEMBERSHIP FROM YOUR NEW BOARD OF DIRECTORS

Since the last annual meeting, there have been numerous changes impacting our Corporation. Seven elected board members and two appointed board members have resigned. This has enabled the appointment of four new board members.

We are asking for your help.

We have opened up the COMMITTEE PROCESS, which gives you, the membership, an active role in policy making for your Corporation. You will have the ability to impact all areas from budget to safety to roadwork. We realize that many of you are extremely busy and have little time to devote to the community so we are offering you several options.

1. Write to the Board of Directors at
P. O. Box 6147, Ocean View, Hi 96737
2. E-mail
BODHOVERMC@GMAIL.com
3. Use suggestion box at Corp. Office

Either way, your Board of Directors is committed to making sure your concerns are heard and addressed in a timely manner.

We have also reduced the proposed budget by almost \$500,000 this year. This was a necessary action. We can only spend what we collect, no matter how much is budgeted.

We are also attempting to more closely follow the bylaws, but the interpretation of those bylaws leads to a lot of confusion. If you have comments or suggestions, please share them with us. We need solutions, not just criticisms.

The present Board of Directors is extremely happy with the efforts and hard work of Bill Vinson and Mary Kastle. We would like to ask for your support in returning these two members to the Board.

Thank you for your continued support.

Road Plan for 2010

With input from the Road Crew Supervisor, the Board of Directors will assess the necessary repairs and maintenance and complete as much work as possible on a priority basis, subject to budget and collection limitations.

Proposed Bylaws Change for a Fair Assessment

For the Past several years we have kept our assessment at \$90 by using the reserve in the operating account to make up for those who do not pay their fair share. Our proposed budget for 2010 is almost \$500,000 lower than last year. A\$90 assessment would still fund that budget, but only if everyone pays! *There is no reserve left. At current compliance rates, the assessment would need to be \$115.* It is NOT FAIR to expect your neighbors to pay a higher assessment because you did not pay your share.

Our Bylaws allow us to assess a late charge of \$10 per delinquency. We are asking you to approve a Bylaws change to increase the late charge to \$25.

Currently Section 5.9 (a) reads, “Assess a late charge of \$10.00 per delinquency;

Proposed wording is “Assess a late charge of \$25.00 per delinquency.

BUDGET & FINANCE

2010 Assessments

We have worked to get our budget back to basics and have reduced the annual budget by almost \$500,000. We can function at this level but only if members pay their assessments on time to provide the funds we need to work. Therefore we will be more aggressive about the application of the late fee and the 12% per annum penalty. If you pay your assessment by the due date of March 31, you will just pay the \$90 per lot assessment proposed in this newsletter. After that date the late fee will be applied to the bill, and if not paid within 60 days a 12% per annum penalty will be applied to each billing until paid. We accept check, cash (at the office only), money order or Visa/MasterCard. You may mail your payment to us, or call us with a credit card payment at 808-929-9910. Do not send cash! If you own multiple properties, you may pay with one check. Please enclose the top portion of all statements with your payment. You may also go to our website (hoveroad.com) to make a Visa or MasterCard payment online. Please fill in the online form completely so we can credit your account accurately. You can also take advantage of this program by calling the office and making arrangements for a payment program.

Payment Plan for Past Due Accounts

The Corporation has initiated a payment plan for members whose accounts have fallen behind. A Payment agreement will allow the member to make monthly payments to their road assessment and, instead of being charged a 12% per annum finance charge beginning 60 days after the due date, you will pay only the late charge. This is huge savings for those who are seriously

delinquent. Payments must be consistent or a lien will be placed on the property; if a lien is already in place, default on the payment plan will initiate a foreclosure on the property per Corporation Articles & Bylaws 5.11. If default occurs you will be removed from the payment plan. As with any lot remanded to foreclosure, payment in full will be required. If you have not already joined our payment plan and wish to, please contact the RMC office at the number listed above.

Revenue

The Corporation receives its revenue from the annual road assessments charged to each property owner. Collection of past due assessments, finance charges, liens & release fees, transfer fees and cinder loading, continue to keep assessments at a low rate. Added income from past due assessments has decreased, but there is still more than a **million dollars in delinquent payments**. Diligence in collections should continue to decrease this amount.

The Corporation reinvests its income when available into the Merrill Lynch operating and investment accounts, which in return earn dividends and interest. The following is a chart showing revenue received.

Revenue 2008

Assessment Income	\$630,336.75
Past Due Income (<i>includes finance charges, lien fees, etc.</i>)	\$147,876.42
Cinder Loading	\$ 48,101.75
Misc. Income	\$ 1,159.27
Refunds	\$ 10,129.97
Lawyer Fees Foreclosure	\$ 1,000.00
TOTAL REVENUE	\$838,604.16

2010 HOVE ROAD MAINTENANCE CORPORATION PROPOSED BUDGET

OPERATING EXPENSES	2008 Actual	2008 Budget	2009 Actual as of 04/30/09	2009 Budget	2010 Budget
Base Yard Expenses	11,074.13	16,200.00	2,513.76	16,200.00	12,500.00
Equipment Expense	63,743.38	67,300.00	4,357.20	64,200.00	55,700.00
Fuel	66,760.69	75,000.00	9,117.66	75,000.00	50,000.00
Road Construction Materials	378,287.25	456,700.00	123,549.50	419,500.00	241,200.00
Total Operating Expenses	\$519,865	\$615,200	\$139,538	\$574,900	\$359,400
Operating Expense in Percent	40%	41%	35%	40%	38%
ADMINISTRATIVE EXPENSES					
Fees	16,252.35	22,400.00	2,800.43	21,400.00	23,050.00
Office Expenses	36,091.96	38,200.00	6,129.68	31,000.00	24,500.00
Insurance-Liability/Property/Equipment	79,236.70	80,200.00	55,715.00	75,200.00	62,400.00
Postage/Printing	15,074.73	25,000.00	5,986.82	25,000.00	21,500.00
Professional Services	16,979.83	50,000.00	21,283.40	35,000.00	35,000.00
Utilities	9,970.67	10,500.00	2,489.24	11,000.00	10,000.00
Total Administrative Expenses	\$173,606	\$226,300	\$94,405	\$198,600	\$176,450
Administrative Expense in Percent	13%	15%	24%	14%	19%
PERSONNEL EXPENSES					
Benefits-Medical/Annuity	72,954.83	78,000.00	24,117.30	78,000.00	52,000.00
Employee Certification	1,967.18	1,450.00		1,450.00	950.00
Employee Payroll Taxes	66,047.60	78,000.00	22,274.78	78,000.00	26,700.00
Labor-Office	116,837.20	130,000.00	32,149.77	130,000.00	80,000.00
Labor-Road Crew	354,740.76	380,000.00	86,516.95	360,000.00	245,000.00
Total Personnel Expenses	\$612,548	\$667,450	\$165,059	\$647,450	\$404,650
Personnel Expense in Percent	47%	44%	41%	46%	43%
TOTAL FUNDS SPENT/BUDGETED	\$1,306,019	\$1,508,950	\$399,001	\$1,420,950	\$940,500

H.O.V.E. RMC
P.O. Box 6147
Ocean View, HI 96737

(Label)

BALLOT ENCLOSED

Note - Melanie Baca has withdrawn as a candidate because she was hired as the RMC Office Manager. This newsletter was printed before that change took place.

MELANIE BACA – I look forward to helping the Road Corp grow in a fiscally and socially responsible way. I have a Bachelors in Business Administration with an emphasis in accounting and computer technology. I bring experiences ranging from background investigations and public safety to office management both in small business and corporate settings.

MIKE FINN – I am a 60-year old former Hawaii resident who has moved back permanently. Married for 20 years, I have four children including a daughter on Maui. I have been a builder for over 30 years and a General Contractor on the Big Island since 2006. I want to be more involved in making Ocean View a better place to live.

TRACY GROENEWEG - For Twenty-seven years managed three small Businesses; supervised seven Employees; management includes Budgeting, Accounting, Marketing and Planning; operating farm equipment, familiar with building codes. Currently manage a farm business. I will be an asset to the Corporation mission.

MARY KASTLE – I am presently a member of the new Board and up for re-elction. The Board has now agreed that change is needed so I would like to remain a part of that process. Thank you.

DAVID LOHR - I have owned property and lived continuously in Ocean View since 1978. Community interests are best achieved when developed at the local level. I am a self-sufficient organic farmer whose only agenda is to help Ocean View develop properly. I will work hard to make that happen.

ELEANOR SHANNON-Retired Federal Personnel Manager served in Hawaii, Japan, Guam, and Washington, D.C.; managed federal nation-wide programs while serving on president-cabinet level departments and representing these departments at White House meetings; served on four non-profit corporations boards in Hawaii and Maryland--served as President and Vice President.

BILL VINSON - I am a current Board member and up for re-election. I would appreciate your support so I may continue working for a better Road Corporation situation. Thank you.