

VACATIONLAND HAWAII COMMUNITY ASSOCIATION, INC.  
ANNUAL MEMBERSHIP MEETING MINUTES  
APRIL 1, 2006

Board members present: President Kirk Flanders, Vice President Perry Miles, Treasurer Richard Shea, Secretary Brenda Schott and Director Paul Charbonneau. Directors Len Horowitz and Bill Parecki were absent.

The President called the meeting to order at 9:12 am at the Pahoia School Cafeteria, with 35 TMK's in attendance and 83 proxies present, meeting our required quorum of 75. The secretary read the minutes of last year's meeting. Paul Charbonneau motioned to approve the minutes as corrected and Perry Miles seconded the motion. Motion carried.

Richard Shea gave the Treasurer's Report (see attached "A" Balance Sheet – March 31<sup>st</sup> 2006 and Proposed Annual Budget – April 1, 2006 thru March 31, 2007 as well as Profit and Loss – March 1, 2005 thru March 21, 2006). The funds received from the special assessment has not been spent yet and is earmarked for the proposed entrance and waterfront improvement projects. The deficit of \$10,509 in House Lots is due to last summer's paving project which went over budget. Dieter Eckert motioned to approve the Treasurer's Report and Jim Lehner seconded. Ken Parish abstained and the rest all in favor.

Richard Shea reported on the By Law Committee's proposed by law change as approved by our legal counsel (see 11.12.05 VHCA minutes) which would *retroactively* exempt Farm Lots from the 2005 special assessment targeting specific improvement projects in House Lots and also create a situation where a special assessment may be imposed for less than a unit of the whole organization. The amendments read as follows: **Article XI, B, 2: (add at end of paragraph) "A special assessment may be levied against fewer than all lot owners. At the Annual or Special Meeting considering such a special assessment, only those members who will bear the assessment may vote on the assessment, and a majority vote of such members present in person or by proxy will be required to levy it. Any existing special assessment may be amended to be limited to fewer than all lot owners, after a recommendation by the Board, by an Annual or Special Meeting. As such Annual or Special Meeting, only those members who will bear the amended assessment may vote on the amendment and a majority vote of such members present in person or by proxy will be required for adoption of the amendment."** The other change required to accomplish this is found in **Article XI, B, 4: (substitute for first sentence) "Every annual assessment shall be borne by the lot owners subject to assessment by the Corporation. Every special assessment may be levied against all, or fewer than all, lot owners."** Those who have paid their Farm Lots special assessment will then have the option to either carry a credit toward this years upcoming assessment or voluntarily donate towards the intention of the special assessment project which will be kept in a separate account because *voluntary donations* may be used for *other* purposes, such as education, whereas regular/special assessments are to be spent on roads or road related issues *only*. It must be noted that each road related proposal is subject to initial board approval and ultimately the majority vote of the general assembly. Phil Burns motioned to approve this by law change and Richard Huelskamp seconded. Discussion ensued regarding definition of a "unit", avoiding "micro-assessments" which led to suggesting this Board to set policy and limitations which effectively eliminate further fragmentation of our community and work toward achieving a system of compatible efficiency as a whole. Janus Garramone proposed that the policy contains strong specific language stating that we are one community and that the Board decides in good faith for the benefit of one group. 52 voted in favor with 11 opposed. Motion passed. Richard Shea presented the subsequent

motion *open to House Lots votes only* to amend the 2005 special assessment as applicable and mandatory to House Lots while voluntary to Farm Lots. Jim Lehner motioned to accept and Linda Flanders seconded. 42 House Lots voted in favor, 6 House Lots opposed and motion carried.

Eric Schott, President of Kapoho Kai Water Association gave a brief history comprised of nearly 20 years of our community's collective effort with the State and County of Hawaii to solve our wastewater disposal problems and KKWA's responsibility as a water provider to our current and future water subscribers impacting our fragile Marine Life Conservation District and all (resident and visitor) who are entitled to the area. Noting that we are the lowest lying community in the State of Hawaii and prone to accelerated sinkage at the rate of 1" per year should logically prioritize this geographic area for immediate attention specifically in regards to residential lots. Therefore an amendment to our Covenant of Deed stating that upon sale of property, and/or improvement of property, the upgrade from cesspool to a current acceptable septic system is mandatory. Meanwhile, the President passed out an *unofficial (not discussed nor approved by VHCA Board of Directors) signatory form* titled AGREEMENT BETWEEN THE VACATIONLAND HAWAII COMMUNITY ASSOCIATION AND THEIR MEMBERS allowing an amendment of our Covenant of Deeds inclusive of VHCA Charter and By laws. It was noted at the meeting that the vote was advisory and not binding.

Eric Schott argued that VHCA should not be named at all in the Covenant of Deed per the advice of attorney Tom Yeh. The objective is to eliminate 78 cesspools in House Lots, chances of success is much greater in recording 78 deeds at \$35. per deed as opposed to the entire community and it would be unfair to include ag-zoned (exempt from sewerage laws) Farm Lots since KKWA does not supply water to them. Dieter Eckert motioned to approve the form as written, Phil Burns seconded. 37 voted in favor and 18 opposed.

Richard Shea presented the 2006-2007 proposed budget (attach B). Perry Miles motioned to accept the budget as proposed and Stephen Lang seconded. All in favor.

Brenda Schott presented a brief synopsis of Entrance Committee's Design followed by Richard Shea's Waterfront Committee's Design proposals submitted for SMA approval on behalf of VHCA, followed by questions and answers.

Nomination consent forms: submitted from Gladys Christenson, Jan Anderson, Jim Lehner and Stephen Lang. Each nominee asked to give a brief introduction. Ken Parish motioned to accept the nominees and Betty Oberman seconded. Unanimously passed.

The Coqui Report was given by Jack Christenson. Awarded the full grant amount of \$5k from the County, not received yet. Announcement of shared chipper service (attach C). Awareness of coqui habitat, catch and control available, please get involved and contact Jack, for hands on training, 965.5367.

There being no further business, Richard Shea motioned to adjourn and Perry Miles seconded. Motion carried. Meeting adjourned at 12:00 noon.

Respectfully submitted,

Brenda Schott  
VHCA Secretary – signed copy on file  
Minutes approved as corrected at 4.08.06 VHCA Bd Mtg