

KEALAKEKUA BAY ESTATES ANNUAL MEMBERSHIP MEETING

JUNE 24, 2006

The meeting is called to order at 0949 by President Dick Kuehner. Introductions are done, including board members and association members. It is noted we are one short of a quorum. Informed that one more member is on his way. He arrives at 0955. Note there was no business conducted prior to Carl Woodside's arrival. All business conducted with a quorum present.

1. Minutes of the last annual are passed out and read. Motion made by Ed Finnigan and seconded by Steve Judd to approve. Motion carries and minutes are approved.
2. Treasurers report for 2004/2005 read by Ken Kjer. Copies passed out to all who request
3. Proposed budget is presented by Ken Kjer. Again, copies distributed to all who are present. Some items discussed as follows;
 - a) Legal costs; These include the need for an attorney to address the dogs not kept on leash and barking. Also includes collection of past due association fees. We are 6 short of paying for this quarter and one has not paid anytime in 2006. Lien to be filed.
4. Discussion of road fund reserves, how much necessary and when repairs may have to be done. Will determine later how much of a reserve to build and set aside.
5. Presidents Report by Dick Kuehner. Topics are as follows;
 - a) Gabriella Cooper is and has been active in Neighborhood Watch Program. She keeps up to date And has notified other residents via e-mail of things going on in our area. Thanks Gabriella.
 - b) Concern shown regarding the fruit stand on Na Po'o Po'o Road, directly mauka of the sub-division. Main concern is the danger to traffic due to proximity to road. Decision is to adjust ones speed in the area and any flagrant violations to notify HCPD.
 - c) Dick points out there are 31 street lights to maintain, 1 mile of fence line, 5 acres of roads, a Water system for the bouganvillia, our electrically operated front gate and costs associated with our enforcement of CC & R's. This brings up the subject of a dues increase.
 - d) Steve Judd has constructed a web site for our sub-division. Address is k-bay-estates.com. Many Thanks Steve for a job well done.
6. DUES INCREASE; Gabriella Cooper makes a motion to increase the dues to \$225 per quarter. It is seconded by Mindy Finnigan. Amendment made to make dues \$200 per quarter instead of \$225. Amendment failed. Discussion followed concerning amount of increase and possibility of keeping Reserves in an interest bearing account. Vote taken on increase and it carries with one dissenting vote.
7. Design Committee Report by Bill Cliff;
 - a) We have a new architect. She is Cynthia Hoke. She has stated if she has plans submitted to her That are incomplete, she will kick them back to the lot owner and there will be an additional charge. There are no problems and things are going smoothly.
8. Board Member Election; After one board member resigned, Jay Hanson, another was appointed, Rick Down. Motion made by Steve Judd and seconded by Charles Andres to elect Rick to the board. Voted on and carried.
9. Discussion followed regarding the rock wall along the northern boundary of our sub-division. Subject brought up by Car Woodside, lot 15. He states the rock wall has been removed adjacent to him and

feels that has resulted in a lack of security. He requests the board take measures to require re-construction of the wall. Board believes the association has no authority in this matter but will contact our attorney regarding the matter. The rock wall directly abutted the flag portion of lot 16 which is directly adjacent to Carl.

10. There being no more necessary business to attend, motion made by Ed Finnigan and seconded by Steve Judd to adjourn. Motion carried and meeting adjourned at 11:20 a.m.

This report is respectfully submitted by Danny G. Engle, Secretary, Kealakekua Bay Estates Board of Directors.