

**NOTICE OF ANNUAL OWNERS MEETING
KA ONO ULU ESTATES COMMUNITY ASSOCIATION**

Pursuant to Section 3, Annual Meetings, and Article II, Meetings, of the By-Laws, notice is hereby given that the Annual Owners Meeting of Ka Ono Ulu Estates Community Association will be held on:

Wednesday, May 23, 2007
At Kihei Community Center, 303 E. Lipoa Street, Kihei, HI
Registration will begin at 6:00 p.m.
The official meeting will commence promptly at 6:30 p.m.

In accordance with Chapter 421J, of the Hawaii Revised Statutes, as amended, this Notice is hereby posted to inform all Owners that the Board of Directors desires to use Association funds in connection with the solicitation of proxies which are to be cast for the election or re-election of directors, and any other business to come before the Association.

We encourage every Owner to attend this important meeting in order to elect your new Directors. In addition, you will be able to re-new your acquaintances and meet the new Owners. If your unit is held for investment or business purposes, your entire trip maybe tax deductible, (please consult your tax advisor for details).

If you are unable or unsure that you will attend this meeting, then please complete and mail the enclosed Proxy form so that it is received in our office by 4:30 p.m., H.S.T. (Hawaii Standard Time), two business days before the Annual Meeting, as per Section 4(b) (1), Chapter 421J, of the Hawaii Revised Statutes. This is very important as 33 1/3% of the Owners, (by common interest percentage) are required to establish a quorum. If we are unable to establish a quorum, then the time and money spent by the Owners who do attend, will have been wasted. In such an event, another Annual Owners Meeting will then have to be re-scheduled.

We, and your fellow Owners, look forward to seeing you at the Annual Meeting.

- I. In addition, pursuant to Article III, Section 12, Board of Directors, of the By-Laws, notice is hereby given that the Board of Directors Meeting of the Ka Ono Ulu Estates Community Association has been called and will be held immediately after the Annual Owners Meeting as stated above.

DESTINATION MAUI, INC.
Managing Agent



Nancy Price, CMCA, AMS, PCAM
Property Manager

Wailuku, Hawaii 96793
March 20, 2007
Encl: Agenda
Proxy
Pre-addressed envelope

**AGENDA FOR THE ANNUAL OWNERS MEETING OF THE
KA ONO ULU ESTATES COMMUNITY ASSOCIATION**

Wednesday, May 23, 2007
Kihei Community Center, 303 E. Lipoa Street, Kihei, HI

REGISTRATION: 6:00 p.m.

MEETING: 6:30p.m.

1. Registration Of Owners
2. Call To Order By President/Presiding Officer;
3. Roll Calls And Determination Of Quorum by Managing Agent;
4. Reading Of Certification Of Mailing Of Notice Of Meeting by Managing Agent;
5. Introduction Of Directors And New Owners;
6. Approval Of Minutes Of Previous Meeting;
7. Appointment Of Parliamentarian (if felt necessary);
8. Report Of Officers And Managers;
 - a. President's Report
9. Committee Reports;
10. Election Of Directors;
 - a. A brief presentation will be made by each Candidate
 - b. Request for two (2) independent Owners to assist in counting ballots
11. Short Adjournment To Count The Votes;
12. Announcement Of The New Directors By The President/Presiding Officer;
13. Motion To Destroy All Ballots and Proxies after 30 Days;
14. Old Business;
15. New Business;
 - a. Reading Adoption of Tax Resolution as required by IRS Revenue Ruling 70-
16. Open Questions And Answer;
17. Set Date Of Next Owners Meeting;
18. Adjournment.

NOTE: The new Board of Directors will have a short meeting immediately after this Meeting is adjourned to elect their new officers and set the date for the next Board Meeting(s).



Destination Maui, Inc.

March 20, 2007

To the Owners
Ka Ono Ulu Estates Community Association
Kihei, HI 96753

Subject: Vacancies on the Board of Directors

Dear Owners:

At the upcoming Annual Owners Meeting, to be held on Wednesday, May 23, 2007, you will be voting to fill, or extend, 2 two-year positions and 1 three-year position on the Board of Directors. Board members are expected to attend all regular meetings.

Serving on the Board is a great way to put your views and opinions into action. We urge you to be involved with your property! Candidates must be Owners "in good standing" with the Association, and be willing to serve without compensation.

If you are interested in serving on the Board of Directors, please complete the attached "Statement of Interest" and return it to Destination Maui, Inc. We will also need a brief resume' which shall not exceed one single-sided 8½" x 11" page, which will be forwarded to the Owners with the second official Notice of Meeting, that will be mailed on or before Monday, April 23, 2007.

Sincerely,

DESTINATION MAUI, INC.
Managing Agent

Nancy Price, CMCA, AMS, PCAM
Property Manager

NP:sm
Enclosure

v:\KaOnoUlu\cor\BODPosition5-23-07.doc



Destination Maui, Inc.
841 Alua St., Suite 102 • Wailuku, Maui, Hawaii 96793
(808) 244-9021 Fax (808) 243-9883
www.destinationmaui.net • e-mail: dmi@destinationmaui.net



STATEMENT OF INTEREST

IN

KA ONO ULU COMMUNITY ASSOCIATION BOARD OF DIRECTORS

TO BE COMPLETED FOR THOSE INTERESTED IN SERVING ON THE BOARD OF DIRECTORS

Owner Name: _____ Unit No. _____

Home Address: _____

Home Telephone: _____

Business Telephone: _____

E-Mail Address: _____

Best time to reach me: _____

Owner(s) Signature(s): _____ Date: _____

Please return this to Destination Maui, Inc., 841 Alua Street, Suite 102, Wailuku, HI 96793.

If you wish to run for election for the Board of Directors, please provide a brief resume', which shall not exceed one single-sided 8½" x 11" page, which will be circulated to the Owners.



Destination Maui, Inc.

November 15, 2006

To the Owners
Ka Ono Ulu Estates Community Association
Kihei, HI 96753

Subject: New Maintenance Fee Coupons and Budget

Dear Owners:

Enclosed you will find your new coupons for payment of your maintenance fees. The new payments will take effect January 1, 2007. There is no increase in maintenance fees. Please discard any previously unused coupons. In order to ensure that your payments are credited properly, we ask that you:

1. Make your payments by the first of each month.
2. Do not send cash.
3. Make your check payable to the Association as indicated on your coupon slip.
4. Always attach a coupon slip with your payment.
5. Your canceled check is proof of payment.
6. Do not staple your check to the coupon across the coupon scan line.
7. For your convenience, enclosed are pre-addressed mailing labels.

All payments are processed automatically in Honolulu by the processing center. Therefore, please **DO NOT** send any correspondence to the Honolulu address. Any correspondence should be sent directly to Destination Maui, Inc., 841 Alua Street, Suite 102, Wailuku, HI 96793.

For your information, we have also enclosed a copy of the Operating Budget that forms the basis of your maintenance fees coupon amounts.

If you have any questions or concerns concerning your new coupon amounts, please contact us.

Sincerely,

DESTINATION MAUI, INC.
Managing Agent


Clifford Phillips, ARM
Property Manager

CP:at
Enclosures: Coupons
Budget
Pre-Addressed Labels

pc: Association Accountant

v\KOU\Cor\Owners New Coupons 2007



Destination Maui, Inc.
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	2006 CURRENT MONTHLY BUDGET	2006 ACTUAL MONTHLY AVERAGE (8 MONTHS)	2007 APPROVED MONTHLY BUDGET	2007 APPROVED ANNUAL BUDGET
I. REVENUES:				
A. Maintenance Fees.	\$3,420	\$3,420	\$3,420	\$41,040
B. Delinquent Service Charges.	50	159	50	600
C. Interest.	0	3	5	60
D. Other Income.	100	-1	25	300
Total Revenues	3,570	3,581	3,500	42,000
II. OPERATING EXPENSES:				
A. Bad Debt.	450	0	450	5,400
B. Bank Charges.	85	0	25	300
C. Insurance.	186	209	186	2,232
D. Interest.	0	0	0	0
E. Management Fees.	1,664	1,560	1,716	20,592
F. Meetings.	150	29	150	1,800
G. Office & Administrative.	250	211	115	1,380
H. Professional Services.	378	339	455	5,460
I. Repairs & Maintenance.	400	551	400	4,800
J. Taxes	6	0	3	36
K. Income Taxes	0	0	0	0
Total Operating Expenses	3,569	2,900	3,500	42,000
EXCESS OF REVENUES OVER EXPENSES	\$1	\$681	\$0	\$0



Destination Maui, Inc.

**KA ONO ULU ESTATES COMMUNITY ASSOCIATION
ANNUAL OWNERS MEETING
KIHEI COMMUNITY CENTER, 303 E. LIPOA STREET, KIHEI, HI**

WEDNESDAY, MAY 18, 2005

CONTENTS:

- **AGENDA**
- **BOARD OF DIRECTORS LIST**
- **APRIL 30, 2005 FINANCIAL STATEMENTS**
- **INSURANCE SUMMARY**
- **MANAGING AGENT REPORT**

2006

May 2006

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June 2006

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

*p 10p mgr
Ryan*



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CERTIFIED
PROPERTY
MANAGER®

**AGENDA FOR THE ANNUAL OWNERS MEETING OF THE
KA ONO ULU ESTATES COMMUNITY ASSOCIATION**

Wednesday, May 18, 2005
Kihei Community Center, 303 E. Lipoa Street, Kihei, HI

REGISTRATION: 5:30 p.m.

MEETING: 6:00p.m.

1. Registration Of Owners
2. Call To Order By President/Presiding Officer;
3. Roll Calls And Determination Of Quorum by Managing Agent;
4. Reading Of Certification Of Mailing Of Notice Of Meeting by Managing Agent;
5. Introduction Of Directors And New Owners;
6. Approval Of Minutes Of Previous Meeting;
7. Appointment Of Parliamentarian (if felt necessary);
8. Report Of Officers And Managers;
 - a. President's Report
 - b. Managing Agent's Report
9. Committee Reports;
10. Election Of Directors;
 - a. A brief presentation will be made by each Candidate
 - b. Request for two (2) independent Owners to assist in counting ballots
11. Short Adjournment To Count The Votes;
12. Announcement Of The New Directors By The President/Presiding Officer;
13. Motion To Destroy All Ballots and Proxies after 30 Days;
14. Old Business;
15. New Business;
 - a. Reading Adoption of Tax Resolution as required by IRS Revenue Ruling 70-604
16. Open Questions And Answer;
17. Set Date Of Next Owners Meeting;
18. Adjournment.

NOTE: The new Board of Directors will have a short meeting immediately after this Meeting is adjourned to elect their new officers and set the date for the next Board Meeting(s).

KA ONO ULU ESTATES COMMUNITY ASSOCIATION

BOARD OF DIRECTORS

<u>LOT #</u>	<u>NAME</u>	<u>OFFICE</u>	<u>TERM</u>
3027	CLEM AMATO 874-1144	PRESIDENT	2003 - 2006
1072	GARY LEE 879-4445	VICE PRESIDENT	2002/4 - 2005
3028	LESLIE JOHNSEN	SECRETARY	2003 - 2006
2133	HEATHER LARSON	TREASURER	2004 - 2007
1059	VICKI J. NELSON	DIRECTOR	2002/4 - 2005

RYAN 244-9024

**Ka Ono Ulu Association
Balance Sheet
April 30, 2005**

ASSETS

CURRENT ASSETS

Chk - BOH	\$	15,584.97
Petty Cash		<u>46.94</u>

Subtotal - Cash \$ 15,631.91

OTHER ASSETS

A/R - Owner Receivables A		30,992.61
A/R - 2002 GET Refund		119.43
Deposits		75.00
Unexpired Insurance		<u>864.50</u>

Subtotal - Other Assets 32,051.54

RESTRICTED DEPOSITS

FIXED ASSETS

TOTAL ASSETS \$ 47,683.45

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

A/P - Trade C	\$	1,272.34
Deferred Owner Payments B		5,652.24
Accrued General Excise Tx		<u>109.92</u>

Subtotal Current Liabilities \$ 7,034.50

Total Liabilities 7,034.50

MEMBERS' EQUITY

Unrestricted Members' Equity		38,349.32
Restricted Members' Equity		<u>2,299.63</u>

Total Members' Equity 40,648.95

TOTAL LIABILITIES AND MEMBERS' EQUITY \$ 47,683.45

Ka Ono Ulu Association
Statement of Revenues, Expenses and Changes in Members' Equity
Actual vs. Budget
For the 1 Month and 4 Months Ended April 30, 2005

	CURRENT MONTH				YEAR TO DATE				BUDGET	
	Actual	%	Budget	Variance	Actual	%	Budget	Variance	Annual	Unexpended
Revenues										
Maintenance Fees	\$ 3,380.00	83.1	\$ 3,400	\$ (20)	\$ 13,520.00	90.0	\$ 13,600	\$ (80)	\$ 40,800	\$ 27,280
Delinquent Fees	260.00	6.4	25	235	1,105.00	7.4	100	1,005	300	(805)
Interest Income	0.39	0.0	0	0	1.45	0.0	0	1	0	(1)
House rule violations income	425.00	10.5	25	400	400.00	2.7	100	300	300	(100)
Total Revenues	<u>4,065.39</u>	<u>100.</u>	<u>3,450</u>	<u>615</u>	<u>15,026.45</u>	<u>100.</u>	<u>13,800</u>	<u>1,226</u>	<u>41,400</u>	<u>26,374</u>
Operating Expenses										
Bad Debts	0.00	0.0	500	(500)	15.00	0.1	2,000	(1,985)	6,000	\$ 5,985
Bank Fees	0.00	0.0	75	(75)	0.00	0.0	300	(300)	900	900
Ins. - Bond	59.33	1.5	61	(2)	237.32	1.6	244	(7)	732	495
Ins. - Dir./Officers	174.49	4.3	112	62	697.96	4.6	448	250	1,344	646
Management Fee	1,560.00	38.4	1,560	0	6,240.00	41.5	6,240	0	18,720	12,480
Meetings	95.00	2.3	120	(25)	30.00	0.2	480	(450)	1,440	1,410
Office/Administration	158.94	3.9	250	(91)	559.03	3.7	1,000	(441)	3,000	2,441
Prof.Svc.- Audit	0.00	0.0	0	0	598.00	4.0	0	598	0	(598)
Prof.Svc.- Legal	232.03	5.7	200	32	232.03	1.5	800	(568)	2,400	2,168
Prof.Svc.- Y/E Acctng.	0.00	0.0	78	(78)	936.00	6.2	312	624	936	0
R/M - Grounds Contractor *	400.00	9.8	400	0	1,800.00	12.0	1,600	200	4,800	3,000
R/M - Tree Trimming	0.00	0.0	150	(150)	0.00	0.0	600	(600)	1,800	1,800
Taxes - Gen. Excise	27.42	0.7	2	25	61.26	0.4	8	53	24	(37)
Util. - Telephone	1.50	0.0	0	2	1.50	0.0	0	2	0	(2)
Total Operating Exp	<u>(2,708.71)</u>	<u>66.6</u>	<u>(3,508)</u>	<u>(799)</u>	<u>(11,408.10)</u>	<u>75.9</u>	<u>(14,032)</u>	<u>(2,624)</u>	<u>(42,096)</u>	<u>30,688</u>
Total Revenue Over Exp	<u>\$ 1,356.68</u>	<u>(33.</u>	<u>\$ (58)</u>	<u>\$ (1,415)</u>	<u>3,618.35</u>	<u>(24.1</u>	<u>\$ (232)</u>	<u>\$ (3,850)</u>	<u>\$ (696)</u>	<u>\$ 4,314</u>
Beginning Members' Equity					<u>37,030.60</u>					
Ending Members' Equity					<u>\$ 40,648.95</u>					
Less Restricted members' Equity					<u>\$ 2,299.63</u>					
Total Unrestricted Members' Equity					<u>\$ 38,349.32</u>					

JHIC JOHN H. CONNORS INSURANCE

**Ka Ono Ulu Comm. Association
369 Huku Lii Place, Ste 202
Kihei, HI 96753**

September 2004

SCHEDULE OF INSURANCE FOR THE ASSOCIATION

The following is an up-to-date SCHEDULE of the INSURANCE COVERAGES for the Association effective September 2004.

DIRECTORS AND OFFICERS LIABILITY, Covers;

\$1,000,000 per occurrence and \$1,000,000 policy limit with \$1,000 Deductible for claims against the Directors and Officers while acting in their elected or appointed capacities.

Continental Casualty Insurance Company

09/10/04 to 09/10/05

Annual Premium \$1382.00

BLANKET FIDELITY BOND, Covers;

\$100,000 for loss of Money, Securities or other property due to fraudulent or dishonest acts of officers, directors or employees or property managers who have the authority to collect, deposit, transfer or disburse Association funds. This coverage is written with a \$250 Deductible.

Continental Casualty Insurance Company

09/10/04 to 09/10/05

Annual Premium \$711.90



Destination Maui, Inc.

May 17, 2005

To the Owners
Ka Ono Ulu Estates Community Association
Kihei, HI 96753

Subject: Managing Agent's Report for the May 18, 2005,
Annual Owners Meeting

Dear Owners:

It has been a pleasure serving you as Managing Agent since April 2004. We would especially like to thank your volunteer, unpaid, Board of Directors, for doing an excellent job on behalf of your Association.

Administrative Matters

Since November 17, 2004, as Managing Agent, we sent out approximately 20 pieces of correspondence, as well as placing innumerable telephone calls and responding to e-mails on behalf of your Association. There were two new Owner packets mailed.

Financial Matters

The Association had total assets of \$31,843 as of March 31, 2005, and total equity of \$39,292.

Insurance Coverage

Enclosed as part of the Owner's package that you received when you registered today, is an insurance summary prepared by John H. Connors, Inc., the insurance agent for your Association.

It has always been our policy to answer all phone calls and respond to all written correspondence, usually within 48 hours. If you do not receive a response from our office within a reasonable period after making inquiry, please renew your inquiry; sometimes messages do get dropped and people get busy and become involved in other matters.



Destination Maui, Inc.
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To the Owners
Ka Ono Ulu Estates Community Association
May 17, 2005
Page 2

The records of your Association are open to all Owners except for matters that may be under litigation. Simply make an appointment and we would be more than pleased to accommodate you.

It has been our pleasure serving you. Best wishes for the coming year.

Sincerely,

DESTINATION MAUI, INC.
Managing Agent



Marian Ringius

Marian Ringius, ARM
Property Manager

MR:at

July 15, 2005



Destination Maui, Inc.

To the Owners
Association of Apartment Owners of
Ka Ono Ulu Estates
Lahaina, HI 96

Subject: Annual Owners Meeting Documents

Dear Owners:

Pursuant to the recent Annual Owners Meeting held on Wednesday, May 18, 2005, please find enclosed the following documents for your files:

1. A draft copy of the Minutes of the Annual Owners Meeting. The Minutes of this meeting will be approved at the next Annual Owners Meeting;
2. A copy of your current Board of Directors list, with their terms.

For those who were unable to physically attend the Annual Owners Meeting, we have also enclosed, for your information, a copy of the current Audit, current Insurance Summary, year-end Managing Agent's Report, and Insurance Coverage Requirements.

Please feel free to call us should you have any questions concerning the foregoing matters.

Sincerely,

DESTINATION MAUI, INC.
Managing Agent

Ryan Nixon, CPA, CMCA
Property Manager

RN: gs

Enclosures

v\OwnDftMtgMinAnnRev5-18-05.doc



Destination Maui, Inc.

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(808) 244-9021 Fax (808) 243-9883

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Ka Ono Ulu Estates Community Association
Annual Meeting Minutes
May 18, 2005

Board Members Present: Gary Lee, Leslie Johnsen, Heather Larson
Board Member Absent: Clem Amato, Vicki J. Nelson
Other Attendees: Marian Ringius, Destination Maui, Inc.; Deidre Rockett,
Recording Secretary

I. DECLARATION OF QUORUM

A quorum was declared with 33.90000% of the owners represented either in person or by proxy.

II. CALL TO ORDER

Vice President Gary Lee called the Ka Ono UIU Estates Community Association Annual Meeting to order at 6:02 p.m. The Meeting was held at the Kihei Community Center, Kihei, Maui, Hawaii.

III. PROOF OF NOTICE

Destination Maui, Inc. certified Notice of Annual Meeting was sent to all Owners of record and filed in the office of the Managing Agent on March 18, 2005.

IV. INTRODUCTIONS

Introductions were made at this time.

V. PRESIDENT'S REPORT

The President's report was mailed to all owners.

VI. MEETING BUSINESS

There was a request to conduct meeting business in a friendly manner. Board members are volunteers. The Association was formed by the developer and can be dissolved by a 99% vote of the owners.

VII. ELECTION OF DIRECTORS

There are two vacancies on the Board for three year terms.

Gavin Wardley submitted his name for nomination. The term of Gary Lee is also expiring, and his name was added to the ballot. Gerald Bitnias also submitted his name for nomination.

expenses for the year-ended December 31, 2005, shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.

Hearing no objections to the resolution, the Motion was declared adopted.

The Board recognized Ms. Ringius for her professionalism this past year.

XIV. NEW OWNERS

The new owners introduced themselves.

XV. OPEN FORUM

With funding now available through the collection of homeowner dues, enhancements in the neighborhood can move forward.

Other Open Forum items discussed, included: 1) Enforcement of Association rules and regulations; 2) Minutes distribution; 3) Lot clearing; 4) Management fees; 5) Collection of delinquent payments; 6) Property Signage; 7) Realtor disclosure; 8) Newsletter; 9) Purpose of the Association; 10) Construction guidelines, remodels and requirements; and, 11) Design Committee.

Owners who want copies of the Minutes should make a request for copies through the Managing Agent.

The Board was recognized for their volunteerism and service.

XVI. NEXT ANNUAL MEETING

The next Annual Meeting was scheduled for May 17, 2006.

All owners will be notified of the date of the next Board Meeting.

XVII. ADJOURNMENT

There being no further business, the meeting adjourned at 7:45 p.m.

Respectfully submitted,

Louise Rockett
Transcriptionist

Ka Ono Ulu Estates Community Association Updates and Information

The Board of Directors at Ka Ono Ulu Estates would like to thank all of the Homeowners that attended our Community Association's Annual Meeting this past May. We thank you for your comments, suggestions, and participation at the meeting, but most of all we would like to thank you for your support. The appearance of our community has taken a turn for the better. We all should thank our neighbors that have worked hard in their efforts in beautifying their homes from repainting to maintaining and beautifying their landscaping and in the general upkeep of their properties. To all who have done so, the Board says Mahalo and JOB WELL DONE!

Association Dues:

Since April of this year we have made significant progress in the collection of delinquent Association dues. Working with Destination Maui, Inc. and with the Association's attorney, we have collected a total of over \$8,000.00 from Homeowners that have not been in good standing with the Association. For those Homeowners that feel that they are exempt from paying Association dues, liens have been filed on their properties. We will continue to pursue this action on a monthly basis until all Homeowners have paid their fair share of Association dues. For those Homeowners that have pre-paid and for those who are in good standing with the Association, thank you.

Parking Lots:

The Board has received numerous complaints regarding Homeowners that have converted their properties into parking lots and that these homes have a parking lot appearance. Each home in our subdivision was provided with a garage and/or a garage-carport parking area that was approved by the developer(s) at the time of construction. These areas were intended for the use of parking cars and boats only. Homeowners that choose not to park in their designated areas, such as back yards, front yards, and on the side of their homes will be notified.

Community Rules Inspections:

When we purchased our homes, we agreed to abide by the governing documents and Community Rules established by the developer. Our governing documents were established for the purpose of upholding the appearance and property values of the subdivision and to promote harmonious living within our community. These rules are not difficult to follow and they basically state that each Homeowner must maintain the appearance of their property. General upkeep, painting, and yard maintenance is all that is needed in keeping an aesthetically pleasing appearance. There is a small minority of Homeowners that have stated: "It is my home and I can do as I please." An example is that some Homeowners have never submitted construction plans to the Design Committee for approval and have constructed "additions" to their homes without approval. Some of these "additions" have been converted into ohanas (rentals) and have created a problem in our community. Ohanas are not allowed in our subdivision. As stated in our governing documents, "**no more than one residential unit shall be constructed on any lot.**" The Board will be addressing this problem accordingly. Effective January 1, 2005, the Board has taken on the responsibility of conducting Community Rules inspections in an effort to cut down on our operating costs. We will be conducting these inspections twice per month. Many notices have been sent and fines have been



December 16, 2005

To the Owners
Ka Ono Ulu Estates Community Association
Kihei, HI 96753

Destination Maui, Inc.

Subject: New Maintenance Fee Coupons and Budget

Dear Owners:

Enclosed you will find your new coupons for payment of your maintenance fees. The new payments will take effect January 1, 2006. There is no increase in maintenance fees. Please discard any previously unused coupons. In order to ensure that your payments are credited properly, we ask that you:

1. Make your payments by the first of each month.
2. Do not send cash.
3. Make your check payable to the Association as indicated on your coupon slip.
4. Always attach a coupon slip with your payment.
5. Your canceled check is proof of payment.
6. Do not staple your check to the coupon across the coupon scan line.
7. For your convenience, enclosed are pre-addressed mailing labels.

All payments are processed automatically in Honolulu by the processing center. Therefore, please **DO NOT** send any correspondence to the Honolulu address. Any correspondence should be sent directly to Destination Maui, Inc., 841 Alua Street, Suite 102, Wailuku, HI 96793.

For your information, we have also enclosed a copy of the Operating Budget that forms the basis of your maintenance fees coupon amounts.

If you have any questions or concerns concerning your new coupon amounts, please contact us.

Sincerely,

DESTINATION MAUI, INC.
Managing Agent


for Ryan Nixon, CPA, CMCA
Property Manager

RN:at
Enclosures: Coupons
Budget
Pre-Addressed Labels

pc: Association Accountant

v:\KOU\Cor\Owners New Coupons 2006



Destination Maui, Inc.
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	2005 CURRENT MONTHLY BUDGET	2005 ACTUAL MONTHLY AVERAGE (8 MONTHS)	2006 APPROVED MONTHLY BUDGET	2006 APPROVED ANNUAL BUDGET
I. REVENUES:				
A. Maintenance Fees.	\$3,420	\$3,420	\$3,420	\$41,040
B. Delinquent Service Charges.	25	233	50	600
C. Interest.	0	0	0	0
D. Other Income.	25	272	100	1,200
	-----	-----	-----	-----
Total Revenues	3,470	3,925	3,570	42,840
	-----	-----	-----	-----
II. OPERATING EXPENSES:				
A. Bad Debt.	500	232	450	5,400
B. Bank Charges.	75	0	85	1,020
C. Insurance.	173	225	186	2,232
D. Interest.	0	0	0	0
E. Management Fees.	1,560	1,560	1,664	19,968
F. Meetings.	120	19	150	1,800
G. Office & Administrative.	250	170	250	3,000
H. Professional Services.	278	318	378	4,536
I. Repairs & Maintenance.	550	263	400	4,800
J. Taxes	2	20	6	72
K. Income Taxes	0	0	0	0
	-----	-----	-----	-----
Total Operating Expenses	3,508	2,808	3,569	42,828
	-----	-----	-----	-----
EXCESS OF REVENUES OVER EXPENSES	-\$38	\$1,118	\$1	\$12
	=====	=====	=====	=====

Prepared By Destination Maui, Inc. Managing Agent.
 Adopted By Board Of Directors on

A/C No.		2005 CURRENT MONTHLY BUDGET	2005 ACTUAL MONTHLY AVERAGE (8 MONTHS)	2006 APPROVED MONTHLY BUDGET	2006 APPROVED ANNUAL BUDGET
II. OPERATING EXPENSES:					
620	A. Bad Debt. This amount is budgeted for potential foreclosures or Bankruptcies.	\$500 =====	\$232 =====	\$450 =====	\$5,400 =====
625	B. Bank Charges. For ACH charges, electronic check payment fees to vendors, service charges.	\$75 =====	\$0 =====	\$85 =====	\$1,020 =====
	C. Insurance. Insurance is provided through John H. Connors Insurance. Located at 140 Hoohana Street #309, Kahului, HI 96732				
677	1. Fidelity Bond. \$100,000 for loss of Money, Securities or other property due to fraudulent or dishonest acts of officers, directors or employees or property managers who have the authority to collect, deposit, transfer or disburse Association funds. This coverage is written with a \$250 Deductible. Budgeted figure includes a 10% increase for the remaining 4 months of 2006. Policy expires August 2006.	\$61	\$59	\$61	\$732
679	2. Directors & Officers Liability. 1,000,000 per occurrence and \$1,000,000 policy limit with \$1,000 Deductible for claims against the Directors and Officers while acting in their elected or appointed capacities. Budgeted figure includes an increase for the remaining 4 months of 2006 per John H. Connors Insurance. Policy expires August 2006.	112	166	125	1500
	Total Insurance	\$173 =====	\$225 =====	\$186 =====	\$2,232 =====
685	D. Interest. None budgeted.	\$0 =====	\$0 =====	\$0 =====	\$0 =====
705	E. Management Fees. Management services provided for by Destination Maui, Inc. are only for fiscal management. Amount budgeted will be at 1664/mth. Price includes 4% GET tax.	\$1,560 =====	\$1,560 =====	\$1,664 =====	\$19,968 =====
710	F. Meetings. Costs incurred for supplies, outside secretarial services, and costs of board room.	\$120 =====	\$19 =====	\$150 =====	\$1,800 =====

A/C No.		2005 CURRENT MONTHLY BUDGET	2005 ACTUAL MONTHLY AVERAGE (8 MONTHS)	2006 APPROVED MONTHLY BUDGET	2006 APPROVED ANNUAL BUDGET
J. Taxes					
796	1. Hawaii General Excise Tax. Based on 4% of the total miscellaneous income.	\$2	\$20	\$6	\$72
	Total Taxes	----- \$2 =====	----- \$20 =====	----- \$6 =====	----- \$72 =====
K. Income Taxes					
940	1. Federal Income Taxes: Based on non-exempt income at 15%.	\$0	\$0	\$0	\$0
941	2. State Income Taxes: Based on non-exempt income at 4.4%	0	0	0	0
	Total Income Taxes	----- \$0 =====	----- \$0 =====	----- \$0 =====	----- \$0 =====



November 30, 2004

To the Owners
Ka Ono Ulu Estates Community Association
Kihei, HI 96753

Destination Maui, Inc.

Subject: New Maintenance Fee Coupons and Budget

Dear Owners:

Enclosed you will find your new coupons for payment of your maintenance fees. The new payments will take effect January 1, 2005. There is no increase in maintenance fees. Please discard any previously unused coupons. In order to ensure that your payments are credited properly, we ask that you:

1. Make your payments by the first of each month.
2. Do not send cash.
3. Make your check payable to the Association as indicated on your coupon slip.
4. Always attach a coupon slip with your payment.
5. Your canceled check is proof of payment.
6. Do not staple your check to the coupon across the coupon scan line.
7. For your convenience, enclosed are pre-addressed mailing labels.

All payments are processed automatically in Honolulu by the processing center. Therefore, please **DO NOT** send any correspondence to the Honolulu address. Any correspondence should be sent directly to Destination Maui, Inc., 841 Alua Street, Suite 102, Wailuku, HI 96793.

If a mortgage company pays for your maintenance fee/statutory reserves, please provide them with the coupons. If you are an Owner subscribing to the ACH/Surepay automatic payment system, your coupon book is **not** enclosed. Your new monthly fees will be deducted as usual between the 10th and 15th of each month.

For your information, we have also enclosed a copy of the Operating Budget that forms the basis of your maintenance fees coupon amounts.

If you have any questions or concerns concerning your new coupon amounts, please contact us.

Sincerely,

DESTINATION MAUI, INC.
Managing Agent



Ryan Nixon, CPA
Property Manager

RN:at
Enclosures: Coupons
Budget
Pre-Addressed Labels

pc: Association Accountant
v\KOU\Cor\Owners New Coupons 2005.doc



Destination Maui, Inc.
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June 23, 2005

Ka Ono Ulu Estates Community Association

Board of Directors:

In accordance with the provisions in the Association's CC&R's, I am submitting the following proposed changes to the color repainting scheme on my house at 560 Kaiola Street. As you will note the original color scheme is a Silver Cloud (gray/white) base with a dark burgundy trim. I am planning on repainting the same basic color, but would switch the trim to a more attractive and softer earth tone of green as indicated on the attached color chip sample.

Your prompt attention to this matter is much appreciated, as I would like to start my painters as soon as possible.

Sincerely,

Jeff and Ursula Sylvan
875-4283

Dear Homeowners

At the last Annual Homeowner's meeting held in Dec. 2004, several homeowners inquired as to whether or not the Board has acted on the collection of delinquent Association dues. Destination Maui, our current managing agent since April 2004, was given an Accounts Receivable Aging Summary from the previous managing agent that did not reflect the entire history of homeowner Association dues initiated in August 1999. If Destination Maui were to conduct this research of delinquent homeowner's accounts, the process would have been very time consuming resulting in additional costs to the homeowners. With this in mind, the Board decided to do the research of all account receivables themselves with some assistance from the previous managing agent, allowing them to confirm the validity of the records that were on file. Countless volunteer hours were spent by your Board members researching numerous delinquent accounts. Sadly, some homeowners had never paid Association dues. This was a very time consuming and tedious undertaking by your Board members.

The purpose of such research was to verify documentation of homeowner accounts prior to taking any legal action. The results of their research determined that they could now proceed with demand letters from the Association's attorney. If payment is not received, then liens will be filed on their properties. Those who have not been paying have been put on notice to do so or legal action will be taken. The first demand letters from the Association's attorney have been sent to those delinquent homeowners who have their property up for sale. They must respond within a 30-day period or be subject to further legal action. All homeowners must be current with their Association dues. The Board would like to thank all homeowners that have prepaid and for those who have paid on time.

Since January 2005, Destination Maui has not been conducting the monthly property inspections of Ka Ono Ulu Estates. The Board has decided, as a means of saving the association money, they will be conducting the monthly property inspections. Due to the numerous complaints and obvious misconceptions of a few homeowners, with regard to C.C.R's keep in mind that the C.C.R's were established by the developer and not the Board. It is the responsibility of the Board to enforce these rules. Because of this, violation notices have been sent to homeowners, of which many have complied. For those that have not responded to the violation notices, fines have been issued and will continue to be assessed until the violation(s) has been remedied or legal action will be filed.

We thank you and greatly appreciate the efforts of all homeowners that have worked hard in maintaining and beautifying their property.

Most respectfully,
Board of Directors
Ka Ono Ulu Estates

Summary Of
Declaration Of Protective Covenants
For Ka Ono Ulu Estates

5. Remodeling, Renovations, Additions, Repainting, Ect.: Any remodeling , renovations, additions, repainting or any other type of changes or additions to the original Ka Ono Ulu Estates home must be reviewed and approved by a Design Committee which is appointed by the Community Association. If any Owner makes any changes or additions to his home without the Design Committee's approval that owner will be fined and assessed penalties. **A \$250.00 fine be levied on that owner's account and \$250.00 each month thereafter.**

As Amended by the Ka Ono Ulu Estates Board of Director's on December 14, 2004.

Ka Ono Ulu Estates Community Association
Annual Meeting Minutes
November 17, 2004

Board Members Present: Clem Amato, Leslie Johnsen, Gary Lee

Board Member Absent: Vicki J. Nelson

Other Attendees: Ryan Nixon, Destination Maui, Inc; Deidre Rockett, Recording Secretary

I. CALL TO ORDER

President Clem Amato called the Annual Meeting of the Ka Ono Ulu Estates Community Association to order at 6 p.m. The meeting was held at Kihei Community Center, Kihei, Maui, Hawaii.

II. DECLARATION OF QUORUM

A quorum was declared with 36.16% of the owners represented either in person or by proxy.

III. PROOF OF NOTICE

It was certified Notice of Annual Meeting was sent to all owners of record on September 21, 2004, in accordance with the Association governing documents and in compliance with Hawaii State Law.

IV. INTRODUCTIONS

Introductions were made at this time.

V. APPROVAL OF MINUTES

MOTION: To approve the Minutes of the last Annual Meeting.

First/Second Unanimous

VI. REPORT OF PRESIDENT

President Clem Amato updated the owners on the status of the Association, with progress in the upkeep of the neighborhood. The Board has worked diligently to ensure the good physical and fiscal management of the Association.

In order to keep owners informed and improve communication, a newsletter is going to be published in December.

The responsibilities of the Board include enforcement of the governing documents.

Accounts receivable were reviewed along with actions taken to collect delinquent amounts.

Ka Ono Ulu Estates Community Association
Reconvened Annual Meeting Minutes
November 17, 2004
Page 3

Judy Glickman volunteered to do the newsletter.

The Board was recognized for their good work.

XI. NEXT ANNUAL MEETING DATE

The next Annual Meeting was scheduled for Wednesday, May 18, 2005 at 6 p.m.

XI. ADJOURNMENT

MOTION: To adjourn the meeting at 7:15 p.m.

Johnsen/Lee Unanimous

Respectfully submitted,

Louise Rockett
Transcriptionist

Approved for distribution by

Ka Ono Ulu Estates Community Association
Organizational Board of Directors' Meeting Minutes
November 17, 2004

Board Members Present: Clem Amato, Leslie Johnsen, Gary Lee, Heather Larson
Board Member Absent: Vicki J. Nelson
Other Attendees: Ryan Nixon, Destination Maui, Inc; Deidre Rockett, Recording Secretary

I. CALL TO ORDER

The Organizational Board of Directors' Meeting of the Ka Ono Ulu Estates Community Association was called to order at 7:30 p.m. The meeting was held at Kihei Community Center, Kihei, Maui, Hawaii.

II. DECLARATION OF QUORUM

A quorum was declared with four of five Directors present.

III. PROOF OF NOTICE

It was certified Notice of the Organizational Board of Directors' Meeting was sent on September 21, 2004, in accordance with the Association governing documents and in compliance with Hawaii State Law.

IV. ELECTION OF OFFICERS

The following Directors were duly elected to serve as Officers, as follows: Clem Amato, President; Gary Lee, Vice President; Heather Larson, Treasurer; and, Leslie Johnsen, Secretary.

V. FINANCIAL REPORT

The 2005 Budget was presented to the Board. Approval was deferred.

VI. NEXT MEETING DATE

A Special Board of Directors' Meeting to review and approve the Budget was scheduled for Friday, November 19, 2004, at 5:30 p.m. Leslie Johnsen will record meeting business.

VII. ADJOURNMENT

With no further business, the meeting adjourned at 7:40 p.m.

Respectfully submitted,

Louise Rockett
Transcriptionist



Destination Maui, Inc.

April 28, 2004

To the Owners of
Ka Ono Ulu Estates Community Association
Kihei, HI 96753

Subject: Association's Declaration of Protective Covenants Guideline

Dear Owners:

Your Association's governing documents and Chapter 514A of the Hawaii Revised Statutes mandate and authorize your Board of Directors to oversee not only the day-to-day operations of the Association but the long-term operations and goals of the Association. One of your Board of Directors' mission is to ensure that the community is well maintained so that all Owners may enjoy the beautification of their surroundings and the right of quiet enjoyment of their homes. This will promote harmonious community living and will also maintain and/or increase the market value of everyone's home.

The Association's Declaration of Protective Covenants, Section 4.02, *Conditions, Limitations, and Restrictions on Improvements*, details the responsibilities of each Owner on the maintenance of their home and lot. For your convenience, attached is a brief guideline of these conditions, Ka Ono Ulu Community Rules.

Section 7.05, *Enforcement, Nonwaiver (c)* states: ". . . *The Association shall have the right to impose monetary fines upon Owners, tenants, and any other persons using or coming upon Ka Ono Ulu Estates or any part thereof for a violation of the Declaration, By-Laws, the Association rules, or any statutes, ordinances . . . the Board of Directors may authorize the Managing Agent, if any, to impose aforementioned fines in accordance with such schedule. . . .*" We enclose a copy of the schedule of fines and appeal notice as approved by the Board of Directors.

Your Board of Directors has worked very diligently on ensuring that the enclosed documentation is in accordance with the Association's governing documents and trust that all Owners will work together to maintain a beautiful and harmonious community. Compliance of the Association's governing documents is an essential part of the successful operations of our community.

Destination Maui, Inc.

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Ka Ono Ulu Community Association
PO Box 845
Puunene, HI 96784

Community Rules
April 22, 2004

The purpose of our Community Rules is to promote harmonious living in our subdivision, and to protect all residents from unnecessary annoyance, expense and nuisance. All Ka Ono Ulu homeowners are responsible for compliance with these rules, regardless of whether they occupy their units themselves or rent them to others. Each homeowner shall be responsible for designating a local agent residing on the island of Maui to represent his/her interest in his residence is not on Maui.

Please remember that we are all the members of the Homeowners Association and what each of us does affects the others. All of the Association rules are taken either from the By-Laws or the Declaration of Protective Covenants of Ka Ono Ulu.

Animals:

1. Only a reasonable number of suitable domesticated house pets shall be kept for the Owner's companionship. No fowl other than canaries, parakeets and other songbirds shall be allowed. (pg. 10, (g))
2. No animal that is or may be a nuisance to neighbors shall be kept and/or maintained on any lot.

Construction/Design:

1. Building. Plans for fences, walls, additions, sheds and other exterior alterations must include proposed date of completion, and must be submitted to and approved by Board of Directors of the Association prior to construction.
 - a. Building permits for structural renovations must be obtained from Maui County. Copies of approved building permits must be filed with Board.
 - b. Owner needs to submit plans to the Design Committee in advance of any reconstruction, improvement or alteration of any lot. Within in 45 days after submission of plans, Board would return with approval or disapproval in writing.
 - c. Fences on roadways shall be kept to a height of no more than six (6) feet. Chicken or hog wire or plastic netting are not permitted for permanent fencing.

shall not be used for laundry or storage purposes or converted for habitation use.

2. Parking of vehicles is permitted only in garages or driveways. No parking on public park or sidewalk areas or on any portion of said Owner's lot visible from street.
3. No house trailer, mobile home, permanent tent or such shall be kept or maintained upon any lot at any time except in the case of construction shelters for a period of six (6) months used exclusively for the project.
4. No truck w/more than 1-ton payload capacity or construction equipment of any kind shall be kept or maintained upon any lot, public or private road to be visible from your neighbors except for construction equipment.
5. The owner's garage shall not be used for any other purpose than the parking of vehicles and boats and not converted for habitation use.

Residential Use:

1. No open burning except for BBQs.
2. No open storage of furniture, fixtures, and appliances shall be permitted on any lot and no washer/dryers, outside clotheslines unless screened from view.
3. Only one (1) "For Sale" or one (1) "For Rent" sign (maximum size 5 feet), referring to owner's property allowed.

Refuse:

1. Garbage or refuse shall be kept only in closed receptacles screened from view from the street.
2. Owner of each lot shall maintain in good repair the development wall and area adjacent to said wall within two (2) feet of any common boundary.

Landscaping:

Each lot shall be landscaped within thirty (30) days after the completion of construction of the dwelling. Landscape plans shall be submitted to the Design Committee for approval. Installation of landscaping on each lot shall commence immediately after the construction of additions and improvements is completed.

KA ONO ULU ESTATES COMMUNITY ASSOCIATION

FINE SCHEDULE

The governing documents of the Ka Ono Ulu Estates Community Association expressly provide the Board of Directors has the authority to adopt to fines to enforce the provisions of those documents. The following schedule of fines has been adopted by the Board of Directors pursuant to Section 7.05(c) of the Declaration of Protective Covenants. Unless otherwise stated, failure to comply with any of these rules will result in the following:

- A written warning notice will be sent to the Owner and/or tenant.
- A \$25 fine will be levied if a second notice for the same violation is issued.
- A \$50 fine will be levied if a third notice is issued for the same violation.
- A \$100 fine will be levied for the fourth violation and any subsequent violation notices issued will increase \$100.
- All legal fees and costs will be paid by the Owner in connection with violations.

The Board of Directors may assess fines for any violation of the provisions of the documents which govern the Ka Ono Ulu Estates Community Association. The fines must be paid to the Ka Ono Ulu Estates Community Association. Failure to pay fines may result in commencement of legal proceedings.

If you are in disagreement with a Notice of Violation to the Community Rules or Association By-Laws, the following appeal procedure is available to you.

1. Once the fine has been levied, it must be paid within ten days of receipt of the notice. After you have paid your violation fee, you have up to thirty (30) days in which you may appeal your concerns in writing, addressed to the Board of Directors. Mail it in care of: Destination Maui, Inc., Managing Agent, 841 Alua Street, Suite 102, Wailuku, HI 96793.
2. In your appeal, please provide sufficient factual information (i.e., statements of witnesses, which include their names and addresses, copies of relevant documents, etc.) enabling the Board to make an informed decision.
3. The Board of Directors will consider your appeal at their next regularly-scheduled Board meeting, which usually takes place on a monthly basis.
4. The Managing Agent will notify you of the Board's decision within seven (7) days after the final decision of the Board.
5. The Board may uphold, reduce, suspend, cancel, and/or refund any fine after consideration of your appeal. The decision of the Board shall be final.