

Message from HRRMC President

Aloha,

I would like to start this with this whole letter in my opinion, not the Boards. All my information is based on fact (professional) and not a personal viewpoint of anyone. My opinion is totally in regard to this corporation and my personal experiences within the corporation.

I have been the President of road maintenance since Feb of 2020. I would like to share with membership what my experience has been like being on your board of directors. I do apologize in advance if you think this is negative. When this board took over the corporation's responsibility it was in 3 lawsuits, there were over 300 people not paying their yearly assessments on time or at all, we had close to 350k in uncollected assessments, meetings held in person and so nasty nothing got done (hence why we are using zoom), and a membership with many different negative instigators pursuing personal agendas.

Fast forward to today and it is hard to find the difference between fact or fiction from all the mistruths members like the fake board and garden club are spreading to the Ranchos community because most of it is not true. This board will not allow themselves to be bullied anymore into doing any illegal activities as they have been bullied into in the past to do. Do not get me wrong in this message as there are some very good people in our community and the only reason, I have stayed on this board is to fix the plethora of issues, get the board back on track, educate members wishing to attend the board of director meetings or ask questions and evaluate the role membership has in regard to conducting or attending a legitimate BOD meeting. **WE ARE NOT AN HOA**. We have a mixed bag in this community of the good, the bad, and the ugly

Let's start with **the good**, the status of roads. As of January, the roads were in fairly good shape with most of the potholes filled; the brush, line of sight had been fairly cleaned up and lines painted, and mowing was being done and looks awesome. After all of the rain we have had from the beginning of the year some of our roads need work and with summer finally here we will be able to start the chip sealing process when we get good weather for more than 3 days in a row.

I was taking over for a previous President that had appointed a road and gate committee. About 3 months into my position, I came to a realization that these committees had been following a state statute and bylaws that had been rescinded or changed. Meaning these committees were operating outside the bounds of the legal precedence. I immediately terminated the committees, which is my authoritarian purview as president to protect this corporation and to spare the corporation from any further undue legal liabilities. Remember we were in a lawsuit already seeking 4.2 mil dollars for alleged damages that these same committee members were part of the cause of. This resulted in many committee members becoming disgruntled with my actions. This was not done out of malice or vendetta against any specific member.

Back in 2021 this board asked membership to vote on purchasing equipment over a 3-year period (approved by membership) and we managed to do it in 2 years! As of March 2023, we are a fully functional legitimate road maintenance corporation that can work on its own roads, saving thousands of dollars with a superior end product that is not watered down to run off the road the first time it rains as it has in the past. Some roads will need a complete reconstruction of the base before we can chip seal. Chip sealing road equipment was hard to find on the island and cost prohibitive to have shipped over

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from the mainland. I would like to thank the prior road work committee for finding us equipment that I voluntarily, using my labor at no cost to membership, had to invest several hundred hours into making usable but it is done now. We have now reached out to experienced road workers for a cost effective temporary crew for the chip sealing portion. The cost to chip seal a mile of road is around 52k (37k for oil, 10k for rock, and the rest is labor/equipment maintenance) There is really no way to adjust any of those costs as they are very much set by today's prices for materials and labor, and we are not marking it up. The cost of fixing the base of the road was never even considered by any prior road work committees. The base must be fixed before we can chip seal or fog seal. We as a board have a goal set to accomplish chip sealing 3.5 miles of road a year and maintaining 8 miles of road (fog seal) and with the current assessment of \$250 should be able to maintain that goal and assessment for several years in the future. Ranchos has about a mile and half of road that needs to be reconstructed from the base up, with the first 2/10<sup>th</sup> of a mile estimated at 50k. As we move forward in 2023 our goals are to finish the big projects membership voted on in the 2022/23 annual budget and the road work plan. The end of Maikai will be the start of chip sealing. Fog sealing will be happening all over the community.

Furthermore, the board is also proud of its accomplishment of winning all 3 of the lawsuits and are finishing up the legal details to complete getting the rest of the restitution monies. The members that sued us must pay back over 250k and with interest that is up to almost 275k. To date we have received over 130k from 3 of the 6 people and will be using that money to work on our roads this summer. Sadly the last 3 will have to go thru a legal process to collect from. But we will collect from all 6.

We are also working on the lengthy list of people that have not paid in over 5 to 30 plus years. We have now processed over 60 properties to foreclosure, with great results, and now have that list down to 42. All the monies spent, including the legal fees incurred, have been collected on the 42 and any foreclosure property in the future all money will be sought. To the naysayers who claim it's a waste of money that we will never collect it, obviously you know nothing of business and like lying to the members in the community with your uneducated nonsense.

Think about what 300 nonpaying members can do to a budget? At \$150 \* per assessment (\* prior to 2021) and a budget reflective of overall homeowners, you are already down 45k of the overall 184k budget every year. Currently at \$250 assessment it is 75k of the overall 306k. In the boards language that averages to a mile of chipseal that was in a road work plan and part of that year's budget. Collecting it in another year is not part of that year's budget. That is how a budget works. Some will try to tell you differently but that is another mistruth this group of naysayers is passing around. The same group that is either causing us to be sued or is suing us has been doing this to the board since at least 2013. Our history and minutes prove it.

As a responsible Board it is our duty to ensure monies are not frivolously spent. This community should not have to pay legal costs associated with **ANY** member(s) that force this community into spending time and resources on attorney fees. We have the authority to levy assessments. It is especially irksome when it is illegal squatters doing these activities and legal members following them. Money having to be spent because of the stupidity caused by squatters, especially up at the Saturday market, that some Ranchos members have joined in by engaging in the squatters' illegal activities. I am shocked that law abiding homeowners within this community have bought into their mistruths. You cannot fix stupid. We were forced, as a board, by these proclamations to consult with attorneys and create assessments for legal costs against our legal members because the corporation should not be held liable to pay legal fees

for the indiscretion of individual members. It is prohibited by our bylaws and state statute and is our fiduciary responsibility to protect membership as a whole from the burden of these expenses and we as a board have the right to create assessments to protect memberships interest. It is an incredible waste of your dollars and the board's time. The member should have to be burdened with those costs.

**The 'bad'**, I feel stems from an overall lack of understanding precisely what this corporation was set up to accomplish. Our forefathers had a plan to chipseal 3.5 miles of road a year... a viable plan that seems to have been pushed to the wayside because of **personal agendas** and **committees that did not have proper guidance, uneducated, or know what they were doing.**

Our gate fiasco is a case in point. The problem with gates is the old board was pushed into putting the cart before the horse and not fixing the issues of legality first. They had membership vote if they wanted a gated community, without an actual cost or design that should have been asked by membership to vote on with a truthful cost. Your current board has fixed those issues now with the approval of new bylaws, whew! Membership voted this last election **to not have gates** when they were shown the actual true cost. This does not mean that gates cannot be voted in again in the future. However, remember membership is legally responsible for any damage the gate may impose as we are all the deeded owners of the easements (1/1227(9)). Therefore the gates if passed by membership would reside on our "personal property" so the gate must be professionally installed and properly maintained and insured to limit that liability from our "personal 3 acre property". Our corporate attorney has said, "yes, **each member** can be sued personally for the functionality of the gate", if it came down to that.

To answer everyone's questions, Yes, this is why we removed the Kohala gate. I personally watched a squatters sit in the middle of the gate trying to get it to close on his vehicle. I watched 2 kids ride the gate as it opened and closed. When we inspected the gate we found that the back safety switches had been removed when the new motor was installed, in 2020. Our gate could have crushed, maimed, or even killed those kids. Also, we found then the new motor to the gate was installed (in 2020), it was done improperly and at an angle that put the gears in a bind when opening and closing as well as a tin can that was used at an illegal junction box that was causing a short in the computer wiring. NO this board did not approve of any of this! A realtor who is also a member told the membership, in the 15 June meeting, that we can pay 10k to install fully functional gate on 2 major roads, . The electrical bid alone was 70k. If you want a gate system built on the cheap with dangerous propensities and an aesthetic that says welcome to our slum then hire the tin can junction box crew and be liable for lawsuits to come. You should ask around and find out who installed this motor and removed the safety. We also have video of a guy ramming the gate for goodness sakes, we have pictures, that lied and told us he did not do it until he found the yellow paint on his truck. The liability issues it was creating for membership. Who wants to pay for their portion of a lawsuit

All this and the Road Maintenance Corporation should not have been in the gate-monitoring business to begin with. They simply were not in our purview as mandated by our prior bylaws. The gate-monitoring business is the main reason we had the office open. After the gates electrical failed back in 2022 the office manager reported no one stopping in for weeks at a time, like any efficient business we make adjustments as needed. Add the history with fake cash on the island, members running around shouting embezzlement claims (why board members will not accept cash when the office is closed) and the disgruntled members who come into the office yelling, cussing, lying and being rude and offensive to

our staff we had no choice but to close the office. Our charter or bylaws do not say we have to even have an office open to the public. Let alone the office property is on private property and not part of your 2nd parcel deed or easement and not part of the road system. The voted in board controls that property. If you get a no trespass letter then you need to stay off the property.

The 'ugly' stems from the negativity that has crept into and now seems to permeate the community and board meetings. Meetings should be to discuss the day-to-day information that has happened to road maintenance since the last meeting. Sadly, members think these meetings are community meetings and productivity and best practice discussions have turned into the airing of personal and personality issues at every turn and day to day information cannot even be discussed. We have limited our meetings down to almost nothing because of these individuals' intent on pushing their own personal agendas and not allowing us to have quality Board of Director meetings. What it boils down to is they lose in an election so now they want to challenge everything because membership voted them out. Lest we all forget, this is a voted in, volunteer organization, and it is incredibly demoralizing to bear witness to endless negativity, yelling, and thankless community member's speeches about their personal agendas and how they feel with no actual facts, and constant talking in circles. One thing that be must solved in the future is to limit discussions to specific road maintenance topics. If one is not on the board then the only time to talk is when we are discussing the specific issue at hand, we open to the floor to discussion, and you have an actual concern or educated thought about the subject being discussed because you are actually listened to the meeting. It seems that most of the discussions are a person's personal agenda entirely based on heresy being spread. One member even mentions that we placed a legal fee on someone because he signed a petition 2 years ago. What or whose petition? None of this is based on fact, it was all heresay and he had not even seen the letter.

Much of the 'ugly' in my opinion boils down to the confusing nature of our organization. Even with articles of incorporation and bylaws it is not well spelled out what we really do. Our job title says one thing, (maintain the roads, period), but prior boards have us mowing easements, fighting solar, having open forum community meetings about topics not related to the roads, members constantly adding to the already approved agenda after the agenda was already approved, and installing gates. My task became a very burdensome one; tackling lawsuits, disgruntled members, no equipment to speak of, Roberts rules, proper board meetings, bylaws, state statutes, and dismantling the 'gate-agenda'. Now we have squatters attacking us. Trust me, this job is not for the faint of heart and you get no satisfaction at the end of the day, especially when uninformed people say you can volunteer all the time you want. As our VP Curt eloquently asked in the special meeting 15 June 2023 that for obvious reasons I did not attend, "does anyone here want to be the President?" (crickets). I feel that a current faction of members wants me off the board because they have been forcing their personal agenda for years and making the board do things that violate both bylaws and State Statutes. I will not bow to the whim of this small group of members and their agenda, and it upsets them. This corporation is about all of membership, all members in good standing have a vote, a voice, and rights.

In conclusion, what is happening today. Some of the members do not like my personality and that is because I run the corporation by the book, black or white, my decisions in these areas are not based on my own opinion. My approach is based on the scholarly input I receive from the other board members before any decisions are made. This is a deliberative body not a one man show. What the garden club is perceiving in a board meeting as me monopolizing the conversation and any resulting outcome via vote of an outcome is not the reality of the situation. The President (chairman) controls the meeting,

currently myself. I bring up the topic of discussion, the board discusses the topic, and if a motion is made for the vote as the chair I abstain from voting unless my vote is needed to break a tie. If that hurts your feelings that is Roberts Rules and you need to complain the state of hawaii for forcing us to use to roberts rules (hrs421j-6). We do not need another lawsuit. The gray is what got us in trouble in the first place. We cannot make up the rules as we go as much as the garden club wants to try. Membership as a whole makes up the rules. If you want to know who is in the garden club we have a list and most of them lost in the last election and why i am writing this to membership.

Working on the roads is not very fun process and what makes working on the roads miserable is a select few members. Between the name calling, rocks getting thrown at us while working, people calling the cops on us because we are working on the road, people speeding past us with no regard to safety, people driving around our road closure signs, members intentionally ramming the gates, road maintenance people being harassed and threatened so they quit, people stopping road maintenance employees and complaining, nasty board meetings, misinformation, members passing on information that is fact less, having to spend countless hours working on meeting agendas and replies to have a meeting so nasty no one wants to be there, etc. We need to respect every volunteer that has signed on to represent this membership and not expect them to volunteer countless hours as proclaimed by two people in the 15 June meeting. We need people that are educated and understand what the real role of a road maintenance corporation is to be able to succeed. We currently have a great properly educated mix of members on the board. The next election will be opening up at least 7 seats for election. If you have been attending our meetings for the past year you can see who the members are pushing a personal agenda. A lot of these negative people have been doing this in meetings and to the board for many years.

One of my favorite movies was Forrest Gump and his quote, "Stupid is as stupid does". You cannot fix stupid no matter how much you try to argue with it. We as a board quit arguing with them because we are not dummies as so prescribed by one of our members of the garden club that has been wrongly challenging the board and placing the board in a precarious positions for many years. I have nothing personal about these individuals as I said before this is strictly from the road maintenance perspective. Many of the naysayers who are part of the overall problem and have been for years want to be on the board and these people are the underlayers that got us sued by the fake board and now are instrumental in the creation of the garden club and its misinformation. These same people shut down our facebook page and got kicked off other social media pages because of their rude behavior.

Thanks for your attention.