

PRESIDENT'S MESSAGE

It's difficult to believe that a whole year has gone by since the Association's first Board of Directors meeting last November. I am pleased to look back on the past 12 months and report to you that we have gotten a lot of things done:

- We completed the mandated inspection of the building exteriors and common area and Bodell Construction has completed the noted deficiencies;
- We engaged Big Island Landscaping to assist us with maintaining the grounds and controlling some of the “wildlife”;
- We hired a new Site Management team, Larry and Claudia Elmore, who work very hard to make the property enjoyable;
- Hawaiiiana assigned Jason Cleveland as our Account Manager, and Jason has done a great job helping us manage difficult first-year “start-up” issues;
- We developed a website and filled it with everything we could think of to help owners and residents help themselves—wherever they were;
- We have been working with the Developer, the Landscaper and Bodell to address near- and long-term drainage and erosion problems and have implemented some improvements;
- We have learned a lot about what it takes to operate the Association, and have responded with a responsible but measured plan to address finances;
- And, we are in the final stages of discussions with the Developer to sign off on the project, which will allow the Association to make some much-needed improvements to the grounds.

Of course, there is still a lot to do, but I have been honored to work with a dedicated Board of Directors who work very hard on behalf of the Association, and I am confident that together, we will continue to make progress. I wish you all a safe and happy holiday season.

Tom Reilly, President

AOAO Kona Sea Villas Annual Meeting

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Friday, January 20, 2006

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**KSV Pool Pavilion
Registration begins 6:00 P.M.
Meeting begins 6:30 P.M.**

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**Regular meeting of the Board of
Directors starts at 5:00 P.M.**

NEW OFFICE PHONE NUMBER

Effective immediately, the new office telephone number is **(808) 443-7436**. Please use this number to reach our Site Managers, Larry and Claudia Elmore

2006 Association Budget

At the August 26 Board of Directors meeting, Treasurer Scott Schneider and Hawaiiiana Account Executive Jason Cleveland gave a presentation outlining the Association's 2005 year-to-date finances and the status of the operating and reserve accounts. Based on key learnings throughout 2005, the 2006 budget was presented to the Board, who unanimously approved it, including maintenance fee adjustments beginning in 2006.

A separate letter will shortly be mailed to all owners giving a summary of the budget. In the meantime, the presentation, the 2005 Year-To-Date financial summary and the 2006 Budget are available on the website in the secured owner area.

Resident Registration

In order for our Site Managers to know who belongs on the property (and more importantly...who doesn't), it is important that all Owners register their tenants, short-term guests, On-Island property managers and contractors with the office using the Resident Registration form.

The Association is in the process of updating its files, so enclosed with this newsletter, you will find a copy of this form. **Please take a moment to complete all applicable sections and drop it off at the office or mail it back to the Association at the address printed on the form no later than January 31, 2006.** The Association may ask unregistered persons to leave the property, so please make your acquaintance's stay more enjoyable and help to make our community more secure by complying with this important request.

Front Gate Code Change

In an effort to maintain security at Kona Sea Villas, the code to the main gate will be changing shortly after the first of the year. A separate letter will be sent out to all owners and tenants with the new code and the effective date at that time.

Please do your part to help ensure the security of our community by not sharing the gate code with persons other than owners, tenants or property managers. Contractors should gain access via a key fob, and only for the duration of the time they are actively working on your property.

Plumeria Plantings

Noni of Big Island Landscaping has begun to plant grafts of the Singapore variety of Plumeria trees on the property. In addition to producing the most fragrant of the "lei" flowers, the Singapore Plumerias are evergreen, and therefore will not drop their leaves even during the colder months. Our sincere thanks to Noni and Big Island Landscaping.

WANT TO GET THE NEWS FAST ?

There is always a lot going on at Kona Sea Villas, and sometimes it's difficult to keep in touch with our friends "on island" and across the sea.... But there is a great way for you to keep informed about current events—the Kona Sea Villas website. The website is designed to keep owners and tenants informed as well as to provide a place to access forms, documents, Board of Directors meeting minutes and even updates about the volcano. If you haven't had a chance already, please take a moment to visit us at:

www.konaseavillas.com

Kona Sea Villas - Contact Information

Board of Directors:

Tom Reilly, *President*
Jay Hanson, *Vice President*
Claudia Christman, *Secretary*
Scott Schneider, *Treasurer*
Sophia Molnar-Russell
Tally Sturm
Tom Walton
Rick Wilson

All correspondence to the Board of Directors should be addressed to:

Kona Sea Villas—BoD
Attn: Jason Cleveland
P.O. Box 1537
Kailua-Kona, HI 96745-1537

Association Manager:

Mr. Jason Cleveland, Hawaiiiana Management Co.
Email: Jason@hmcmtg.com
Office: (808) 930-3218 Ext. 371
Fax: (808) 325-2645

Site Managers:

Larry and Claudia Elmore
Email: KonaSeaVillas@yahoo.com
Office: (808) 443-7436
Fax: (808) 331-0975

Enforcement of Association By-laws

One of the great things about living in a community is the chance to get to know others in the neighborhood and to share experiences. However, in order to ensure that all owners and tenants of Kona Sea Villas have positive experiences to share, the Association has adopted bylaws and House Rules which outline acceptable behaviors and practices in our community. These bylaws address important topics such as project appearance, safety and security, courtesy to other residents, and the use of the common areas, including the pool, spa and exercise room.

Please make yourself, your tenants and your guests aware of our community's rules regarding these things. With the imminent sign-off of the project from the Developer to the Association, increased emphasis will be placed on monitoring and enforcing the by-laws and House Rules by the Association and the Management in order to make Kona Sea Villas a community that works for everyone.

You've Got Mail !!!

Have you ever walked all the way to the mailboxes only to find that the mailman hadn't arrived for the day yet and then walked empty-handed back to your house? Well, so have we, and acting on a great suggestion from Russ Neilsen, the Association is happy to announce "The Mail Cone" – a high-tech mail signaling system. Here's how the system will work:

A bright orange traffic cone will be placed on the ground by the mailboxes. When the postman comes for the day, he has agreed to place the "Mail Cone" on top of the mailboxes signaling Kona Sea Villas residents near and far that the "mail's in". After dark, any resident getting their mail will take the "Mail Cone" off of the top of the mailboxes and place it back on the ground, resetting the system for the next day's delivery. This system should save us all a lot of frustration and disappointment – Thanks, Russ !!!

On-Island Property Managers and Rental Info

In order to ensure that your and your neighbor's investment at Kona Sea Villas is protected, the By-laws specify that an On-Island Property Manager **must** be employed by the owner in two specific circumstances:

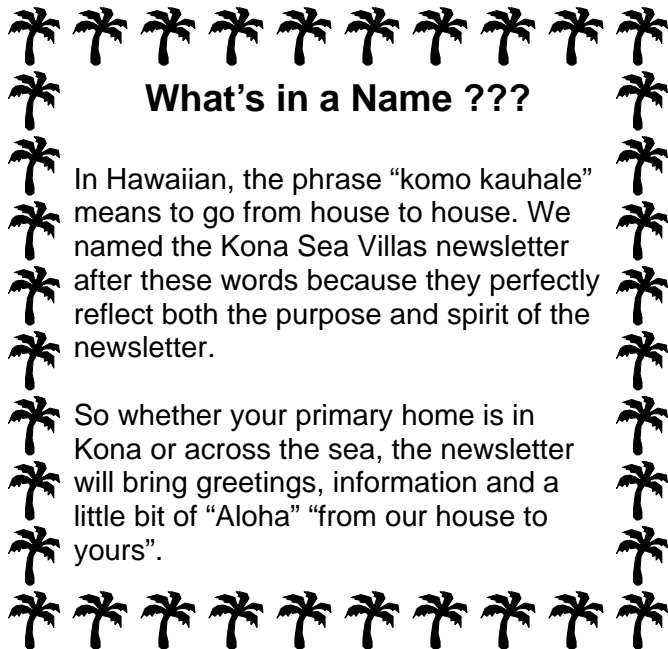
- If the unit will be unoccupied for a period greater than 30 days; or
- If the unit is rented or leased to tenants

The On-Island Property manager's name and contact information should be registered with the office using the Resident Registration form, available on the website or at the pool.

Also, just as a reminder to Owners who rent their property to tenants – in order to be considerate of your neighbors, the KSV Bylaws and County zoning ordinances prescribe rental periods of **no less than 30 days** – Mahalo for your cooperation.

Sunstone Development / Bodell Construction Update

Discussions are continuing between the Association, the developer and the prime contractor to close out remaining development issues and allow for the official “sign off” of the project. Bodell has reported that all items noted as a result of the Association’s building inspection report have been corrected as of this date. (Note: A copy of the inspection report can be viewed by all Owners in the office). The only remaining issues relate to drainage and landscaping, and some of these are currently being addressed as well. Bodell has re-graded the Kuakini border of the property and created a higher berm to prevent drainage from the highway from flowing onto the property as it has been doing. They have also made modifications in the berm next to the “G” Building to allow for better drainage of rain runoff. The Association can’t make any changes in these areas (including removing or replacing landscape elements) until after we have reached a final agreement with the parties and the sign-off is concluded – thank you



What’s in a Name ???

In Hawaiian, the phrase “komo kauhale” means to go from house to house. We named the Kona Sea Villas newsletter after these words because they perfectly reflect both the purpose and spirit of the newsletter.

So whether your primary home is in Kona or across the sea, the newsletter will bring greetings, information and a little bit of “Aloha” “from our house to yours”.

Electronic Newsletter

In order to be sure that everyone has the latest news, the Association will continue to mail paper copies of the “Komo Kauhale” newsletter to all Owners and tenants at their address of record in the office. However, in order to save on printing and postage costs, you may elect to receive your copy by E-mail instead of U.S Mail.

If you would like to “opt out” of the Newsletter paper mailing, please [contact](#) the Office and supply your current E-mail address. We will add your name to the electronic distribution list and will send you an electronic copy of the next Newsletter. Mahalo for helping us keep costs down.

Pool Safety

Please take extra care to make sure that the pool gates are closed *AND KEPT LOCKED* each time you enter or leave the pool area. Please do not purposely leave the gates open. The gates are there not only to keep unauthorized people out of the pool, but more importantly, are there for the safety of small children to prevent them from wandering in unattended. Using your key to gain access is a very small inconvenience compared to the life-long tragedy of losing a child in a drowning accident.

The Association would also like to remind all members and tenants that there is to be no glassware in the Pool Pavillion (Pool, Spa, BBQs or Fitness Center) at ANY time. A shattered glass could require the complete draining and refilling of the pool at considerable expense, not to mention the possibility of cut feet. Please use only plastic glassware in the pool area.

Finally, just a reminder that all children under the age of 13 must be accompanied by an adult at least 18 years of age at all times in the Pool Pavillion. A complete summary of the Pool Rules is available on the website or at the office for your reference.