

## **STATEMENT OF HAWAIIAN PARADISE PARK OWNERS' ASSOCIATION**

Past Boards spent several years working to achieve funding through various financial institutions, including trying to get funds through the County District Improvement Program. The County turned down HPP because the bond council ruled that it was illegal for the County to provide funds to a private subdivision. In 2006 Hawaiian Paradise Park Owners' Association, a private subdivision financially responsible for its own roads unlike standard subdivisions whose roads are funded by the county, took the historic and innovative step of finding private financing to pave the roads throughout the subdivision. The Board of Directors weighed its alternatives very carefully and eliminated possible conflicts of interest in its financing research. Prior to undertaking any financing plan for paving the roads, all lot owners received a written outline of plans the Board of Directors were considering, and every lot owner was afforded the opportunity to complete a written survey. Subsequent Board action was consistent with the desires of the overwhelming majority of responding lot owners. Specifics of the financing plan were discussed in question and answer sessions with the general membership at two general membership meetings and numerous updates on specific and alternate proposals were discussed at regular Board meetings, open to all lot owners, over a two year period. The Association finally engaged a nationally recognized Bond Agent and entered into a Bond Agreement with a reliable and leading financial institution, the Union Bank of California. The Association negotiated favorable terms and received financing for the project. Last week the Association received bids to pave the first increment of the project.

Recently, an attorney from Honolulu, Mr. Gary Dubin, expressed an interest in making a presentation to the Board concerning possible investments for the Bond revenue. Although the terms and conditions of the Bond agreement limits what the Board may do with that revenue, Mr.

Dubin offered to make a presentation to the Board. The Board expressed an interest and asked Mr. Dubin for the following information: (1) Financial Records for his investment firm for the last three (3) years; (2) An outline of his written proposal; and (3) Five references.

Unfortunately, Mr. Dubin has not complied with these requests and has indicated he felt conditions were not conducive for his presentation at the time and he was removed from a meeting agenda

In the past week, Mr. Dubin's request to make a presentation to the Board has turned into a personal tirade about the Board, Association financial matters and Association legal representation. His correspondence has been more insistent and abusive over the past few days. Given the circumstances, the Board has decided that in the best interests of maintaining and fostering the Aloha Spirit and supporting constructive exchange with its members, the better course of action was to decline Mr. Dubin's offer to make a presentation to the Board at this time. The Board communicated its desire through its attorney.

If Mr. Dubin provides the Board with basic financial background information about his firm, details of his proposal and references, the Board may reconsider its decision.

The Board wants to thank all its Members for their patience and cooperation in this matter.