

KU'AU BAYVIEW BOARD OF DIRECTORS SPECIAL MEETING
April 3, 2001

DIRECTORS PRESENT: Don Varni, Lisa Daly, Tanya Goosby, Talbot Shibley, Ben Bland.

DIRECTORS ABSENT: Karen Chun, Lisa Paulson.

OTHERS PRESENT: Cindy Mendes, Account Manager, Oihana Property Management.

CALL TO ORDER:

President Don Varni called the Special Meeting of the Board of Directors of Ku'au Bayview to order on Tuesday, April 3, 2001 at 6:30 pm. A quorum was established with 5 of the 7 Directors present.

President Varni stated the purpose of this meeting is to discuss the agenda of the Annual Homeowners' Meeting which will be held on Wednesday, April 25, 2001.

PARKING:

President Varni Presented a draft House Rules on Parking, and requested that the Board review the document and make comments and/or suggestions. Once the Board approves the verbiage, a copy will be sent to all homeowners.

ANNUAL HOMEOWNERS MEETING:

The Board reviewed various items with respect to the Annual Homeowners Meeting. Discussion points included:

- 1) Each Committee Chairperson will present a verbal report to homeowners on the committee's work over the past year.
- 2) There will be an Owners' Forum portion of the meeting in which owners can discuss and bring up any issue.
- 3) Owners who attend the Annual Meeting, but have not yet returned their vote on the Proposed CC&R Amendment re: Vacation Rentals / Bed & Breakfast Operations, will be given a ballot when they check in at the Annual Meeting.
- 4) As an incentive for attendance at the Annual Meeting, the Board authorized \$200 for door prizes. The Board discussed which business establishments will be used for this purpose.

SIDING COMMITTEE REPORT:

Ann Pitcaithley, Chairperson of the Siding Committee, updated the Board on the status of the siding issue. Ms Pitcaithley reported that of the 92 homeowners, only 35 had responded to the siding questionnaire. She noted that the attorney's questionnaire, should have, but did not include a statement that all homeowners are eligible for compensation regardless of whether or not their siding showed any signs of deterioration and, this information must be disclosed (whether there is evidence of deterioration or not), in the event a residence is sold.

Ms Pitcaithley stated it is important that the interior of the residences be inspected by the structural engineer to determine if there is evidence of dry rot, mold, etc. as a result of bad siding. This can be done using new technology, without having to open up the walls.

The Board discussed the effectiveness of the attorney Joy Yanagida on this issue. Ms Pitcaithley stated that her brother has been practicing law in San Diego for the past 20 years, specializing in construction defects for condominium associations. He has offered to act as the Association's legal counsel, working in

conjunction with an attorney in Hawaii. She suggested the Board consider attorney William McKeon of Paul Johnson, Park, & Niles, Attorneys at Law, as the Hawaii attorney to represent the Association.

After discussion, it was the consensus of the Board to advise attorney Joy Yanagida to cease working for the Association on the siding issue.

MOTION: To authorize Ann Pitcaithley to contact her brother to ascertain if he will take the siding case on a contingency basis, as a first choice, or to submit a proposal and cost for same, in working with a local attorney. Further, to instruct attorney Joy Yanagida to cease any further work for the Association. Seconded and carried unanimously. (Shibley/Daly)

ADJOURNMENT:

MOTION: To adjourn the meeting. Seconded and carried unanimously. (Bland/Shibley)

The meeting adjourned at 6:50 pm.

Respectfully submitted,
/s/ Laurie "Lola" Ledbetter
Recording Secretary

**Minutes were transcribed from cassette tapes. Recording Secretary was not present at the meeting.