

Hawaiian Village Condominium Association
Special Meeting concerning Door/Window Replacement Policy

April 26, 2008

Meeting Minutes

A Special Meeting of the Board of Directors convened at 9:00 a.m. on April 26, 2008 in the Royal Hawaiian conference room.

Attendees

Board Members:

Richard Dannenberg – President

Drew Davis – Vice President

Jim Wilson – Vice President

Wade Hall – Treasurer

Jan Edelmann – Secretary

Property Management:

Steve Kenny – Ocean Point Ltd.

Richard Dannenberg opened the meeting. A quorum was established by roll call and proxy count. Mr. Dannenberg explained to the owners present that the purpose of the meeting was to discuss the matter of the replacement of Unit doors and windows and to establish financial responsibility.

Overview

Mr. Dannenberg reported that the ultimate responsibility for replacing such doors and windows resides with the Association. This responsibility is defined within the governing documents of the Hawaiian Village Condominium Association. Per the legal interpretation of the Declaration, the Board of Directors on behalf of the Association can determine the most appropriate method of paying for the replacement of doors and windows.

Previous Boards have handled such matters inconsistently, and related insurance claims have been settled both in favor of the Association and in favor of the Unit Owner. The objective is to have an approved policy so that the matter will be handled consistently in the future.

Based on a vote taken at the November 1, 2007 Annual Meeting, a majority of Unit Owners favored having an Owner and not the Association as a whole incur the expense of replacing doors and/or windows in his/her individual Unit.

Alternatives

Mr. Dannenberg described the alternative ways to establish a policy for replacing owners' doors and windows. These options were discussed in detail in a memo to Owners dated March 30, 2008.

The options are to:

- (1) Change the by-laws so that Unit Owners, not the Association, assume financial responsibility for the replacement of doors and windows.
- (2) Raise the required funds through a special assessment or increase in fees.
- (3) Via a Board Resolution, assign the financial responsibility for door and window replacement to the Unit Owners.

At the Annual Meeting held on November 1, 2007 the majority of owners appeared to be in favor of changing the governing documents. A review by the Association's attorney reported that changing the Declaration requires 100% of the owners to vote in favor of a change. The Board observed that a 100% vote would never happen.

Mr. Dannenberg reported that Attorney John Seipp indicated that a Resolution of the Board would be sufficient to assign the financial responsibility for replacing doors and windows to Owners. Since the majority of Owners did not favor a special assessment or increase in fees for this purpose, the preferred solution is to pass a Board Resolution.

Resolution

Wade Hall made a **motion** to adopt the Resolution that stated that Unit Owners would be responsible for the replacement of their doors and windows when needed. Jim Wilson seconded the motion. The Board voted all in favor.

Next Steps

The Board will obtain a list of recommended contractors to be sent to Unit Owners. Group discounts will be made available. Replacements doors and windows must conform to standards and be compliant with Ocean City Code. The Board may in the future require some Owners to replace doors or windows if they are deteriorating or failing.

Adjournment

Jan Edelmann motioned that the meeting be adjourned. The meeting adjourned at 9:50 am.