

**ASSOCIATION OF APARTMENT OWNERS  
SANDS OF KAHANA  
BOARD OF DIRECTORS  
December 9, 1999**

**DIRECTORS PRESENT:** Michael Kaplan, Sandy Boothe, Kazuko Shimaoka, Marcus Baricuatro.

**OTHERS PRESENT:** Carl Hardin, President, Heritage Properties, Wayne Cober, Vice President, Jim Hentz, General Manager

**CALL TO ORDER:**

President Michael Kaplan called the Sands of Kahana Board of Directors Meeting to order on Thursday, December 9, 1999 at 2:00 p.m.(HST), via teleconference. A quorum was established with four Directors present.

**APPROVAL OF MINUTES**

**MOTION: To approve the minutes of the April 19, 1999 Board of Directors meeting as presented. Seconded and passed unanimously.  
(Baricuatro/Boothe)**

**OLD BUSINESS**

There was no old business to be discussed.

**NEW BUSINESS**

The fiscal year 2000 Operating Budget was presented by Heritage Properties, Inc. and discussed by the Board. The budget represents about a \$10,000 a month increase in total expenses. The majority of the increase is in the area of utilities and maintenance payroll.

The fiscal year 2000 Capital Budget and Reserve Analysis was present to the Board. Management recommends that all major improvement projects scheduled for the next three years be accelerated and completed in the next twelve months. The projects include tile roof replacement, parking lot curbing, repair and paving, tennis court resurfacing, elevator equipment modernization and cab upgrade, ceramic tile walkway replace, front desk upgrades, barbecue area upgrades and a replacement truck. The total anticipated expenditure would be \$2,251,960. Management is proposing funding the projects by a combination of existing reserves, ongoing reserve collection and borrowing.

The various funding would not require an increase in maintenance fees.

**MOTION: To approve the fiscal year 2000 operation budget.**

**To approve the capital improvement budget and direct management to enter into contracts based on competitive bids for the work.**

**To approve the use of reserve funds to retire the existing painting/spauling loan.**

**Motion continued:**

**To approve using a “cash flow” method of funding future reserve requirements.**

**To direct management to prepare and distribute a ballot to the membership authorizing the borrowing of up to \$1.5 million to finance the capital projects.**

**Seconded and passed unanimously. (Boothe/Baricuatro)**

**NEXT MEETING**

The next regular meeting of the Board will be held following the Annual Association of Apartment Owners Meeting on February 12, 2000.

**ADJORNMENT**

There be no further business the meeting was adjourned at 2:30 p.m.