

ASSOCIATION OF APARTMENT OWNERS
OF THE SANDS OF KAHANA
ANNUAL MEETING
FEBRUARY 17, 2001

DIRECTORS PERSENT Michael Kaplan, Sandy Boothe, Marcus Baricuatro,
Kazuko Shimaoka.

CALL TO ORDER

The meeting was called to order by President Michael Kaplan at 9:00 a.m. in the meeting room of build two at the Sands of Kahana 4299 Lower Honoapiilani Rd., Lahaina, Hawaii.

PROOF OF NOTICE

Management provided proof that notice of the meeting was sent to all owner of record and posted on the property in accordance with the Association Document and Hawaii Revised Statute.

QUORUM

A quorum was established with 89.1525% of the common interest represented in person or by proxy.

APPROVAL OF MINUTES

The minutes of the last annual meeting and the special meeting were reviewed.

**MOTION: To approve the minutes as presented. (Boothe/Baricuatro)
Passed unanimously.**

REPORTS OF OFFICERS

President Michael Kaplan reported that after a review of the usage agreement between Sands of Kahana and Kahana Beach Resort showed that the usage had been very low. He further stated that the agreement had continued to cause a great deal of concern on the part of the Sands owners. While the agreement has not caused a burden on Sands facilities he stated that the agreement would be terminated immediately.

A report prepared by Treasurer Marcus Baricuatro was included with the meeting material, Marcus offered to answer any question related to the report or the AOA financials. Richard Rodriguez expanded on the major capital renovation projects of the past year and how they were funded.

ELECTION OF INSPECTORS OF ELECTION

President Kaplan asked for volunteers to oversee the election of directors. Stewart Jennewein and Bob Norton were appointed as inspectors.

ELECTION OF DIRECTORS

President Kaplan explained there were two positions to be filled on the Board. The seat of Sandy Boothe expires today and Artie Spector who had previously resigned. Nominations were opened.

The names of Sandy Boothe, William Vinson, Vanda Maduli, Bob Norton and Judy Bolan were placed into nomination. Judy Bolan declined the nomination. Nominations were closed. The meeting was recessed while owners cast their ballots.

Sandy Boothe and Vanda Maduli were each elected to a two-year term.

UNFINISHED BUSINESS

There were additional questions related to the Kahana Beach property. Wayne Cober stated that the walkway and steps between the two properties would be removed and that a landscape barrier would be established to prevent foot traffic. Mr. Cober also stated that Kahana Beach has installed BBQ grills and is installing a spa of its own.

NEW BUSINESS

There are three standard motions that the AOA needs to adopt. Michael Kaplan read each motion to the membership. The following motions were made:

MOTION: To instruct the Board of Directors to hold an Organizational Meeting immediately following the Annual Meeting for the purpose of electing Officers of the Association until the next Annual Meeting. (Boothe/Baricuatro) Passed Unanimously

MOTION: The Association of Apartment Owners of the Sands of Kahana hereby directs that any Association income which exceeds expenses for the fiscal year ending December 31, 2001 be "rolled forward" and applied to the Operating Expenses of the Association for the fiscal year ending December 31, 2002 in accordance with IRS Revenue Ruling 70-604. (Boothe/Baricuatro) Passed Unanimously

MOTION: To approve reimbursement of Directors out of pocket expenses to attend duly called meetings of the Association in an amount not to exceed \$500 per meeting. (Boothe/Baricuatro) Passed Unanimously

There was further discussion related to the capital improvements which have been completed in the past year and future reserve requirements. Mr. Cober stated that based on the reserve study the Association is in full compliance with statutory reserve requirements.

The meeting continued with Mr. Cober and Mr. Rodriguez answering questions related to the AOA, capital improvements and reserves.

The meeting adjourned at 12:15 p.m.