

**ANNUAL MEETING
OF THE
SANDS OF KAHANA
ASSOCIATION OF APARTMENT OWNERS
MAY 13, 2004**

DIRECTORS PRESENT Michael Kaplan, Marcus Baricuatro, Monica Moore and Sandy Boothe

OTHER PRESENT Richard Rodriguez, President, Consolidated Resorts Management, Wayne Cober Vice President, Consolidated Resorts Management, Jim Hentz, General Manager, Sands of Kahana.

CALL TO ORDER

The meeting was called to order by President Michael Kaplan at 9:00 a.m. at the Sands of Kahana.

PROOF OF NOTICE

Management provided proof that notice of the meeting was sent to all owners of record in accordance with the Association Documents and Hawaii Revised Statute.

A quorum was established with 79.1865% of the membership represented in person or by proxy.

APPROVAL OF MINUTES

The minutes of the May 1, 2003 Annual Meeting were reviewed.

MOTION: To approve the 2003 annual meeting minutes as presented. (Foster/Keller) Passed Unanimously.

APPOINTMENT OF ELECTION INSPECTORS

President Kaplan asked for volunteers to serve as inspectors of election. Stu Jennewien volunteered.

ELECTION OF DIRECTORS

President Kaplan announced that the terms of Michael Kaplan, Marcus Baricuatro and Monica Moore expire this year and opened the floor for nominations.

The names of Michael Kaplan, Marcus Baricuatro, Monica Moore and Bill Vinson were placed into nomination. Nominations were closed.

There was a short recess while owners voted.

Michael Kaplan, Marcus Baricuatro and Monica Moore were elected to three-year terms.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

General Manager Jim Hentz updated the owners on projects completed in the past year including the hallway tile and putting green. Currently the hallway planter boxes are being refurbished with rock and silk plants.

There was a question regarding the grease trap that was installed by the restaurant. Mr. Hentz confirmed that the restaurant operator paid all costs associated with the installation.

The owners commented on elevator disruption and flooding during heavy rain, Mr. Hentz detailed the action that has and is being taken to minimize damage.

There are two standard motions that the AOA needs to adopt. President Kaplan read the motions:

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, 2004 be "rolled forward" and applied to the Operating expenses of the Associations fiscal year ending December 31, 2005 in accordance with IRS revenue ruling 70-604. (Lott/Massey) 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 \$500.00 per meeting. (Lott/Massey) Passed Unanimously

There being no further business the meeting was adjourned at 10:50 a.m.