

**ASSOCIATION OF APARTMENT OWNERS  
SANDS OF KAHANA  
BOARD OF DIRECTORS MEETING  
May 17, 1997**

**DIRECTORS PRESENT:** Michael Kaplan, Sandy Boothe, Barney Saunders, Artie Spector.  
**DIRECTOR ABSENT:** Kazuko Shimaoka (family emergency in Japan.)  
**OTHERS PRESENT:** Carl Hardin, President, Heritage Properties; Wayne Cober, Vice President; Jim Hentz, Heritage Properties; Jodi Takeuchi, Recording Secretary.

**CALL TO ORDER:**

President Mike Kaplan called the Board of Directors Meeting of The Sands of Kahana to order on Saturday, May 17, 1997 at 9:00 a.m. in the Meeting Room of The Sands of Kahana, 4299 Lower Honoapiilani Road, Lahaina, Hawaii. A quorum was established with four of the five Board members present. Kazuko Shimaoka returned to Japan early due to a family emergency.

**PROPERTY INSURANCE:**

Mr. Cober introduced Rick Budar, the Insurance Broker for the Association.

Mr. Budar reviewed the Insurance Proposal, stating there are not a lot of changes from last year. The total package is coming in \$1,533. less than last year, with \$1,000,000.00 more Building coverage, which CNA felt was appropriate due to the improvements to the property.

Mr. Budar stated on the Tennis Pro coverage, CNA cannot add an independent contractor to the policy/liability coverage. If Ms. Sullivan has her own Insurance, she will need to add the Association as additional insured.

Mr. Budar reported on the Insurance financing, the interest rate is 7 1/2%, a down payment of approximately \$29,300.00 (25%), with monthly payments of approximately \$1 1,000.00, however they are working on a better interest rate of possibly 7%.

**APPROVAL OF MINUTES:**

**MOTION:**

**To approve the minutes of the Board of Directors Meeting and Organizational Meeting dated February 8, 1997, as circulated. Seconded and carried unanimously (Boothe/Spector)**

**PRESIDENT'S REPORT:**

Mr. Kaplan reported the estimated completion date is the first week of July for the Building repairs, spalling and painting project.

**FINANCIAL REPORT:**

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Mr. Hardin reported on the Preliminary Financial through April 1997, the Association is showing a surplus through the first four months of \$33,400.00. Sewer and water costs are currently \$15,000. under budget due to anticipated increases that are in the process of being approved.

Mr. Hardin reported \$40,000. in reserve funds received a month, beginning in March, is being set aside in a separate bank account.

**MANAGING AGENT REPORT:**

Mr. Cober and Mr. Hardin reviewed the following items:

**SPALLING/PAINTING UPDATE:**

Mr. Cober reported Buildings #1 through #3 have been completed, with some painting touch up to be done on Building #3. Anticipated completion target date for the entire project is July 3rd. Contract extras are not expected. The spalling repair and epoxy injection per foot allotment is on schedule.

Mr. Cober reported in the Binder under the Old Business section has the detailed cost log of the job, detailing the expenses and withdrawals from The Bank of Hawaii, including Uwe Schultz, whom is the consulting Architect. \$1,000,044. has been spent so far, \$1,325,000. is available from the Bank.

Mr. Cober reported the re-work of the irrigation system for the planter boxes, which was removed to form passages to stop water intrusion, needs to be replaced. Mr. Cober reported Management has bids from Irrigation contractors on the Island at \$5,000. per Building, total cost to be under \$20,000. Mr. Cober asked for Board's approval to have the work contracted to have the planter boxes properly irrigated. Mr. Cober stated Duey Irrigation is a licensed Irrigation contractor and the work is warranted.

**MOTION:**

**To direct Management to go forward with Irrigation/Planter box proposal. Seconded and carried unanimously. (Boothe/Saunders)**

Mr. Cober reported the missing silk plants will be replaced and refurbished.

**LANDSCAPE:**

Mr. Hardin reported Management has met with Tom Foster from Island Plant, it is evident he cannot perform the level of upgrades desirable with the terms of the contract. Mr. Hardin recommends the Board terminate the current agreement, solicit additional bids from Island Plant as well as update bids from September of last year from other Contractors. Mr. Hardin stated there is clearly a breach of contract, items have not been done in accordance with the terms of the contract, it is recommended to execute a thirty (30) day termination, and request an updated proposal.

**MOTION:**

**To terminate the contract with Island Plant within thirty days slid have bids re-submitted, including the current contract, with proper specs. Seconded and carried unanimously. (Boothe/Saunders)**

**TENNIS PROGRAM INSURANCE:**

Mr. Cober stated, based on Mr. Budar's insurance overview, it is recommended that Ms. Sullivan provide the additional insured endorsement on her insurance package.

**GRINNELL:**

Mr. Cober reported in the past that Grinnell would only replace deteriorated sprinkler heads if they started to drip. In a discussion with Attorney Bob Rowland, he represented The Whaler and Kaanapali Alii in the same situation, and successfUlly sued Grinnell. Mr. Cober then wrote a letter to Grinnell mentioning the lawsuits and Grinnell immediately responded stating they would replace all 2030 chrome sprinkler heads at no cost to the Association. Work is scheduled to begin June 2, 1997.

**NEW BUSINESS:**

**LANAI 281:**

Mr. Cober stated Management will send a letter to contact the Owner of Unit 281 to correct the water problem due to the alteration of their lanai.

**WALKWAY FLOOR CLEANING:**

Mr. Cober reported Allied Maintenance Services performed a highly caustic acid tile cleaning after the painting was completed in Buildings #1, 2 and 3. As a result, the tile looks new, however, this condition cannot be maintained by daily mopping only. Allied has proposed to mechanically clean the walkway tile in one (1) Building per month, at a cost of\$1,433. per month.

**MOTION:**

**To accept the Allied Maintenance Services proposal until November 1997, at which time the contract will be renegotiated. Seconded and carried unanimously.  
(Boothe/Saunders)**

**POOL GATES:**

Mr. Cober is recommending the Board consider installing aluminum pool gates on the ocean side of the pool. He asked for the Board's approval to accept the bid that has been submitted in the amount of \$3,333.

**MOTION:**

**To accept the bid to install the pool gates. Seconded and carried unanimously.  
(Boothe/Spector)**

**WATER METER IMPROVEMENTS:**

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Mr. Cober reported the irrigation system and koi pond are running on a sewer/water meter. Mr. Cober asked for the Board's approval to install an additional 2 inch water meter, which would segregate the sewer and water meter. Mr. Cober stated that if the cost to install a man hole, additional piping and metering shows not to be cost effective in the future, Management will not proceed with the project.

**MOTION:**

**To authorize Management to install a water meter, based on Management's calculation on water use savings. Seconded and carried unanimously. (Saunders/Boothe)**

**POOL LOUNGE CHAIRS:**

Mr. Hardin reported Owners have requested additional pool lounge chairs. Mr. Hardin recommends purchasing 20 additional pool lounge chairs, \$200. a chair, a total cost of \$4,000. Mr. Spector requested 40 pool lounge chairs for owners/guests to use.

**MOTION:**

**To authorize Management to purchase forty (40) pool lounge chairs. Seconded and carried unanimously. (Saunders/Spector)**

**PROPERTY INSURANCE:**

Mr. Cober stated he recommends renewing the existing Insurance with the current Company. Mr. Spector suggested that Management obtain additional bids.

**MOTION:**

To authorize Management to seek two (2) additional bids, If there is a significant increase or decrease, Management will contract the Board and establish a telephone conference, Otherwise, Management is authorized to renew with the existing Insurance Company. Seconded and carried unanimously. (Saunders/Boothe)

**NEXT MEETING DATE:**

The next Board meeting will be held on August 16, 1997 at 9:00 A.M. on property.

**ADJOURNMENT:**

**MOTION:**

**To adjourn the meeting. Seconded and carried unanimously. (Spector/Boothe)**

**The meeting adjourned at 10:05 A.M.**

Respectfully submitted,

Jodi Takeuchi  
Recording Secretary