

**ASSOCIATION OF APARTMENT OWNERS
SANDS OF KAHANA
BOARD OF DIRECTORS TELEPHONIC MEETING
August 21, 1998**

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 Sound of Directors Meeting to order on Friday, August 21, 1998 at 9:00 am. (HST), via telephone. A quorum was established with four Directors present.

APPROVAL OF MINUTES

MOTION: To approve the minutes of the May 13, 1998 Board
of Directors meeting as presented. Seconded and carried
unanimously. (Boothe/Baricuatro)

PRESIDENT'S REPORT

President Kaplan comments on the news lobby tile being installed at this time. He stated that he thought the color was different than that originally selected by the Board. The matter will be discussed later in old business.

FINANCIAL REPORT

Carl Hardin reviewed the operation of the Association for the first six months on 1998. This Association continues to operates below budget and through the six months has a surplus of \$37,844. The preliminary financial statement for July is complete and the results continue to be positive, with an operating surplus of about \$8,500.

OLD BUSINESS

The managing agent reported on the following items

Wayne Cober reported that the Association is continuing to pursue a claim against the Kahana Ridge for damaged caused by blowing dirt. Damages totaling about 1.7 million dollars were submitted. The insurance companies for the contractors have asked for back up for the claims which haw been provided. We expect a settlement offer in the next few weeks. The offer will be submitted to the Board for review when received.

The lobby improvements are nearly complete. The corrugated fiberglass roof has been replaced, furniture reupholstered and landscape renovated.

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The new floor tile is 90% installed. Mike Kaplan questioned the color of the tile, he commented that it looks has more green than the sample selected by the Board. He requested that the grout selection be reviewed to reduce the contrast with the buildings.

The property insurance was renewed on July 1st. The new coverage is with First Insurance of Hawaii. The policies provide equal or better coverage than the previous policies. The coverage includes earthquake insurance for the first time. The overall package was less expensive than the previous coverage.

Sandy Boothe requested that the House Rules be amended to include a provision prohibiting the opening of the "unscreened" windows in the units. After a discussion of the matter, Mr. Kaplan directed management to obtain bids to have screens installed on the windows. Following receipt of the bids the Board will discuss the matter further.

NEW BUSINESS

Sandy Boothe requested that in the renewal of the Allied Maintenance contract and 1999 budget preparation consideration be given to adding regular cleaning the of the pool furniture.

DATE OF NEXT MEETING

The next meeting of the Board of Directors will be held on November 5,1999 At 9:00 am at the Sands of Kahana.

**MOTION: To adjourn the meeting. Seconded and carried unanimously.
(Boothe/Baricutro)**

The meeting adjourned at 9:40 a.m.