

**ASSOCIATION OF APARTMENT OWNERS  
SANDS OF KAHANA  
BOARD OF DIRECTORS  
November 5, 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 Board of Directors Meeting to order on Thursday, November 5, 1998 at 9:00 a.m. (HST), via telephone. A quorum was established with four Directors present.

**APPROVAL OF MINUTES**

**MOTION: To approve the minutes of the August 21, 1998 Board of  
Directors meeting as presented. Seconded and carried  
unanimously, (Boothe/Baricuatro)**

**FINANCIAL REPORT**

Carl Hardin reviewed the operation of the Association for the first nine months of 1998. The Association continues to operate below budget and through the six months has a surplus of \$80,480. Haiku Landscape has recently presented invoices for renovation work completed early in the year but never billed. Those invoices will appear on the October financial and will bring the "Grounds Material" line item closer to the budgeted amount.

**OLD BUSINESS**

The managing agent reported on the following items:

**KAHANA RIDGE DUST**

Wayne Cober reported that the Association claim against the Kahana Ridge for damages caused by blowing dirt is unresolved. The insurance carriers for the contractor and developer have not responded. The Association attorney has given them a November 13, 1998 deadline to respond. The Board will convene via telephone shortly after that date to discuss a settlement offer or a course of further action if no settlement offer has been received.

**WINDOW SCREENS**

The Board reviewed the possibility of installing screens on the sliding windows of all units. Wayne Cober reported that the cost to screen all windows was estimated to be \$17,000. The Board concluded that the decision to have screens installed and the cost of installation should be left to each owner's preference, within guidelines approved by the Board.

**MOTION: To instruct management to prepare a specification and a list of approved contractors for distribution for the owners. Seconded and carried unanimously (Boothe/Baricuatro)**

#### **RESERVED PARKING**

The Board reviewed the reserved parking issue and a proposed policy present by management. The Board did not feel the policy fully addressed the issues, after much discussion the matter was tabled for further consideration. The current policy of not assigning additional reserved parking will remain in effect.

#### **NEW BUSINESS**

##### **FRONT DESK UPGRADE**

A proposal was present to replace the existing wood desktop and work surface with a solid surface acrylic "corian". The cost, including replacing electrical outlets would be \$7,800. Mike Kaplan has requested that a professional designer select the color.

**MOTION: To accept the proposal to upgrade the front desk at a cost of \$7.800, with the material color selected by a professional designer. Seconded and carried unanimously (Boothe/Shimaoka)**

##### **BUILDING THREE SPACE USE**

A proposal from the Sands of Kahana Vacation Club to lease the common area on the parking level of three formerly occupied by Sullivan maintenance was presented. The Club has offered to pay \$750.00 per month in rent, with up to \$10,000 of the rent paid in advance to purchase equipment for the fitness room.

**MOTION: To accept the Vacation Club proposal and enter into a License Agreement for the space. Seconded and carried unanimously. (Boothe/Shimaoka) Baricuatro announced his conflict of interest and abstained. Kaplan announced his conflict of interest and as AOA President did not vote.**

##### **PROPERTY ENTRY**

A proposal to upgrade the front entry to me property was presented, it included construction of rock walls, and the installation of lighting, irrigation and new plants. There was discussion regarding the County's plans to improve the street fronting the property and what impact it might have on the entry. Management will obtain a set of the County plans prior to doing any work on the entry.

**MOTION: To approve the plan to upgrade the front entry, pending confirmation of the County plan, at a cost of approximately \$23,000.00. Seconded and carried unanimously. (Boothe/Baricuatro)**

#### **HOUSE RULES**

Carl Hardin presented a proposal House Rule amendment to update the language regarding the exterior appearance of the window coverings that can be used in the units. He stated that the existing language restricts the use of anything except drapes originally installed. He suggested changing the language to read "Window coverings shall be of a neutral color".

**MOTION: To approve the house rule amendment as proposed. Seconded and carried unanimously. (Boothe/Shimaoka)**

#### **UTILITY CONTRACT**

A revision to the Allied Maintenance Services Utility contract which would add 208 hours per month for general janitorial and 35 hours per month for window cleaning was presented to the Board. The additional janitorial hours will be used to provide full on weekend, at present there is only no person available on Saturday and Sunday. The majority of the window cleaning will be in the atrium areas. The additional monthly cost will be \$3,793.00 Wayne Cober stated that the amount has been included in the 1999 budget, he requested that the Board approve the revision effective immediately. The Board directed management to seek competitive bids for the service to ensure that the Allied contract in line with the current market.

**MOTION: To approve the proposed changes to the Allied Maintenance contract effective immediately. Seconded and carried unanimously. (Boothe/Baricuatro)**

#### **KAHANA TERRACE LEASE**

Wayne Cober informed the Board that Terrace Restaurant has provided the required notice to exercise their option to extend the lease for an additional five years. The only term of the lease that is negotiable at this time is rent. Mike Kaplan instructed management to have an appraisal of the restaurant conducted and present it along with any other supporting document to the Board at the next meeting. The Board will at that time determine the fair market rent.

#### **LANDSCAPE CONTRACT**

A revised landscape contract was presented. The revised contract includes only the day to day maintenance functions. Upgrades and enhancements will be handled on a work order/time and materials basis. The revised contract monthly cost is \$14,639.00. The 1999 budget also allocates \$1,600 in labor a month for enhancements.

**MOTION: To approve the revised Haiku Landscape contract. Seconded and carried unanimously. (Baricuatro/Boothe)**

#### **ANNUAL AUDIT**

A proposal from James Black and Associates to conduct the annual audit, unannounced verification of cash and prepare the Association tax returns was presented. The total cost is \$4,057.30. This is the same firm that has done the work in recent years, the price has not increased.

**MOTION: To approve the James White and Associates proposal for audit and tax preparation services for fiscal year ending 1998. Seconded and carried unanimously. (Boothe/Baricuatro)**

#### **1999 BUDGET**

The budget for fiscal 1999 was presented to the Board. The line items have been revised to reflect the changes approved by the Board and items of significant variance from the 1998 budget. The 1999 budget does not require an increase in maintenance fees. The Board reviewed the budget and reserve funding levels. Following discussion of the Association's financial condition approve the budget as presented

**MOTION: To approve the 1999 budget as prepared by management, with no increase in maintenance fees. Seconded and carried unanimously. (Boothe/Baricuatro)**

#### **DATE OF NEXT MEETING**

The next meeting of the Board of Directors will be held on February, 13, 1998 at 9:00 a.m. at the Sands of Kahana.

The annual meeting of the Association will be held on February 13, 1998 at 11:00 a.m.

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

The meeting adjourned as 10:25 a.m.