

# MAKAHA VALLEY PLANTATION

## NOTICE OF ANNUAL MEETING OF THE ASSOCIATION OF APARTMENT OWNERS OF MAKAHA VALLEY PLANTATION

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Association of Apartment Owners of Makaha Valley Plantation has been called and will be held on:

**DATE:** Saturday, March 7, 1992.  
**TIME:** 10:00 AM (Registration commences at 9:30 AM)  
**PLACE:** The Makaha Terrace,  
Sheraton Makaha Resort & Country Club,  
84-626 Makaha Valley Road, Waiānae, HI 96792

### A G E N D A

- (a) Roll Call
- (b) Proof of Notice of Meeting
- (c) Reading of the Minutes of 1991 Meeting
- (d) Reports of the Officers
- (e) Reports of the Committees
- (f) Election of Directors
- (g) Unfinished Business
- (h) New Business

The Directorships of Charles Houtchens, Tom Youngblood and Richard O'Donnell must be filled. Owners interested in standing for election to the Board should send resumes, not to exceed 100 words, to: **Hawaiiana Management Co., Attn: Marie Calder-Clayton, 1270 Ala Moana Blvd., HONOLULU, HI 96814.** Additional nominations may be made from the floor.

**Only owners of record as shown on the Association's books as of the close of business on Friday, March 6, 1992, shall be entitled to attend and vote at the meeting.**

All owners are encouraged to attend the meeting. However, whether you currently plan to attend the meeting or not, please complete and **SIGN** the enclosed proxy and return it immediately in the stamped, pre-addressed envelope that we have provided. This will ensure that a quorum will be present so Association business may be transacted. If you attend the meeting and desire to vote in person, your proxy will be returned upon request and you will receive a ballot to vote as you wish. Please remember - if we fail to have a quorum, the meeting must be re-scheduled and the Association will incur additional expenses for a second mailing and meeting.

**NOTE: PURSUANT TO STATE LAW, PROXIES WILL NOT BE VALID UNLESS COMPLETED AND RECEIVED BY THE SECRETARY OF THE ASSOCIATION OF APARTMENT OWNERS OR THE MANAGING AGENT, HAWAIIANA MANAGEMENT COMPANY, NO LATER THAN 4:30 PM, THURSDAY, MARCH 5, 1992. PREVIOUS PROXIES ARE NOT VALID.**

BY CALL OF: **CHARLES HOUTCHENS**  
**PRESIDENT**

BY:  
**W. Blythe Thomas, Secretary**

Date of Notice: January 10, 1992.

Enclosures: Proxy  
Return Envelope

The  
ASSOCIATION OF APARTMENT OWNERS  
of  
MAKAHA VALLEY PLANTATION

**ANNUAL MEETING**

SATURDAY, MARCH 7, 1992  
10:00 AM  
SHERATON MAKAHA RESORT

**C O N T E N T S**

0	Proof of Meeting Notice
0	Agenda
0	Resumes of Board Candidates
0	Financial Statement - January 31, 1992.
0	1991 Annual Audit
0	Budget 1992
0	Summary of Insurance Coverage
0	Rules of Conduct for the Meeting

# Copies of Resumes and Solicitations

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## Resume of Charles Houtchens

*Having been your President for the past three years, I continue to receive many compliments on the beautification of the Plantation, the many changes and improvements which have been made, and how pleased most homeowners are with the results of our efforts. With all the major improvements over the past three years, we have still managed to retain reserves of almost a quarter million dollars. With this in mind, I would like to solicit your proxy for the 1992 Annual Meeting. Thank you for your support.*

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## Resume of Richard (Dick) O'Donnell - (Retired)

*Owner/Resident since 1988. Appointed to Board November 1991 succeeding Sandy Grant. Graduate of University of San Francisco.*

*Thirty years experience in Personnel and Plant Management, supervising over 500 employees.*

*Vice-President/General Manager of Oakwood Builders, Inc. developer/builders of single family homes.*

*Vice-President/General Manager of Builders Choice, building component manufacturers.*

*It would be a pleasure to continue to serve on the Board. My management and business experience would, I believe, compliment your present management team. I would attempt to find ways to offset the escalating Maintenance Fees due to rising costs of services and maintain the beauty and serenity of our Plantation.*

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## Resume of Tom Youngblood

*It has been my pleasure to serve on the Board for the past four years. I believe I have contributed to the good work done by the present Board, and I would appreciate your support in my bid for re-election for the upcoming term. Thank you.*

	JANUARY 1992		YEAR TO DATE	
	ACTUAL	BUDGET	ACTUAL	BUDGET
<u>NON-TAXABLE RECEIPTS</u>				
MAINTENANCE FEES - AOA0	112,542.69	108,792.00	112,542.69	108,792.00
LEGAL FEE REIMBURSEMENT	0.00	0.00	0.00	0.00
INTEREST FROM INVESTMENTS	200.57	968.00	200.57	968.00
VENDING MACHINES	216.31	690.00	216.31	690.00
LAUNDRY MACHINES	7,432.60	6,449.00	7,432.60	6,449.00
REGISTRATION FEES	300.00	0.00	300.00	0.00
INTEREST INCOME (CHECKING)	222.40	290.00	222.40	290.00
PARKING FEES	4,349.00	4,248.00	4,349.00	4,248.00
LATE CHARGES	115.00	0.00	115.00	0.00
FINES	775.00	0.00	775.00	0.00
OTHER TAXABLE RECEIPTS	0.00	0.00	0.00	0.00
<u>TOTAL CASH RECEIPTS</u>	<u>126,153.57</u>	<u>121,437.00</u>	<u>126,153.57</u>	<u>121,437.00</u>
<u>DISBURSEMENTS</u>				
<u>UTILITIES</u>				
ELECTRICITY	3,116.79	4,325.00	3,116.79	4,325.00
TELEVISION CABLE	3,590.86	3,430.00	3,590.86	3,430.00
WATER	12,127.74	6,828.00	12,127.74	6,828.00
SEWER SERVICE	18,970.50	9,363.00	18,970.50	9,363.00
GAS	11,321.16	9,546.00	11,321.16	9,546.00
TELEPHONE	186.63	280.00	186.63	280.00
<u>TOTAL UTILITIES</u>	<u>49,313.68</u>	<u>34,666.00</u>	<u>49,313.68</u>	<u>34,666.00</u>
<u>BUILDING MAINTENANCE</u>				
VEHICLE OPERATION	74.77	270.00	74.77	270.00
COMMUNICATIONS	198.17	650.00	198.17	650.00
GROUNDS	8,213.57	9,100.00	8,213.57	9,100.00
LIGHTING	644.15	220.00	644.15	220.00
PLUMBING	91.00	220.00	91.00	220.00
POOL	151.85	700.00	151.85	700.00
MISC REPAIRS & PURCHASES	1,957.55	2,500.00	1,957.55	2,500.00
PAINT	1,697.04	400.00	1,696.04	400.00
PEST CONTROL	2,573.00	858.00	2,573.00	858.00
REFUSE	5,401.32	4,768.00	5,401.32	4,768.00
SECURITY	0.00	420.00	0.00	420.00
ROOF MAINTENANCE	0.00	650.00	0.00	650.00
<u>TOTAL BUILDING MAINTENANCE</u>	<u>21,002.42</u>	<u>20,756.00</u>	<u>21,002.42</u>	<u>20,756.00</u>
<u>TOTAL PROFESSIONAL SERVICES</u>	<u>10,754.25</u>	<u>6,519.00</u>	<u>10,754.25</u>	<u>6,519.00</u>
<u>TOTAL PAYROLL</u>	<u>39,602.50</u>	<u>44,429.00</u>	<u>39,602.50</u>	<u>44,429.00</u>
<u>OTHER EXPENSES</u>				
INSURANCE	7,927.95	5,993.00	7,927.95	5,993.00
INSURANCE CLAIMS	114.40	0.00	114.40	0.00
MISCELLANEOUS EXPENSE	28.00	650.00	28.00	650.00
GENERAL EXCISE TAX	576.53	490.00	576.53	490.00
<u>TOTAL OTHER EXPENSES</u>	<u>8,646.88</u>	<u>7,458.00</u>	<u>8,646.88</u>	<u>7,458.00</u>
<u>TOTAL OPERATING EXPENSES</u>	<u>129,319.73</u>	<u>113,828.00</u>	<u>129,319.73</u>	<u>113,828.00</u>
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<u>OPERATING SURPLUS/(DEFICIT)</u>	<u>(3,166.16)</u>		<u>(3,166.16)</u>	
<u>TTL MAJOR IMPROV. &amp; REPAIRS</u>	<u>0.00</u>	<u>1,500.00</u>	<u>0.00</u>	<u>1,500.00</u>
<u>TOTAL CASH DISBURSEMENTS</u>	<u>129,319.73</u>		<u>129,319.73</u>	
<u>NET CHANGE TO CASH/RESERVES</u>	<u>(3,166.16)</u>		<u>(3,166.16)</u>	
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<u>PETTY CASH</u>	<u>500.00</u>			
<u>OPERATING CASH</u>	<u>40,080.39</u>			
<u>TOTAL RESERVES</u>	<u>201,369.28</u>			
<u>TOTAL CASH/RESERVES</u>	<u>241,949.67</u>			

# MAKAHA VALLEY PLANTATION

## ANNUAL MEETING - 1992

### TREASURER'S REPORT

December 31, 1991

Total Cash Receipts	\$1,458,198.36
Total Operating Expenditures	1,279,109.58
Operating Surplus	57,943.29
Major Improvements	121,145.49
Total Cash Disbursements	1,400,255.07
Total Cash & Reserves	\$ 245,115.83

Report of Independent Auditor  
Daniel J. Sullivan

2101 Nuuanu Ave., #2505  
HONOLULU, HAWAII 96817

I have audited the accompanying statement of cash receipts and disbursements and change in cash balance of the Association of Homeowners of MAKAHA VALLEY PLANTATION for the year ending December 31, 1991. This financial statement is the responsibility of the Association's management. My responsibility is to express an opinion on this financial statement based upon my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, this financial statement was prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, the statement mentioned above presents fairly, in all material respects, the cash receipts and disbursements and change in cash balance of the Association of Homeowners of MAKAHA VALLEY PLANTATION for the year ending December 31, 1991, on the basis of accounting described in Note 1.

**Daniel J. Sullivan, CPA**

January 25, 1992,  
Honolulu, Hawaii

**ASSOCIATION OF HOMEOWNERS OF MAKAHA VALLEY PLANTATION**

Statement of Cash Receipts and Disbursements

and Changes in Cash Balance

For the Year Ended December 31, 1991

**Cash Receipts**

Maintenance Fees	\$ 1,302,415
Laundry Machines	75,680
Parking Fees	49,069
Interest Income	16,449
Reimbursement	12,445
Vending Machines	6,750
Legal Fee Reimbursement	3,705
Fines	2,637
Workers Compensation	1,522
Late Charges	<u>1,493</u>

Total Cash Receipts

\$ 1,472,165

**Cash Disbursements**

<b>Building Maintenance:</b>	
Major Repairs and Improvements	121,146
Grounds	111,893
Repairs and Purchases	106,481
Refuse	58,370
	397,890
<b>Utilities:</b>	
Gas	111,520
Sewer	88,005
Water	76,450
Cable TV	37,778
Electricity	42,059
Telephone	<u>3,459</u>
	359,271
<b>Personnel:</b>	
Payroll Security	221,746
Maintenance	88,012
Cleaning	29,532
Manager	20,927
Other	28,315
Manager's Unit	9,000
Payroll Taxes & Benefits	<u>92,066</u>
	489,598
<b>Administration:</b>	
Management Fee	48,072
Office & Administrative	<u>13,764</u>
	61,836
<b>Other:</b>	
Insurance	83,281
Insurance Claims	2,252
Professional Fees	14,185
Hawaii General Excise Tax	<u>5,909</u>
	<u>105,627</u>

Total Cash Disbursements

1,414,222

Increase in Cash

57,943

Cash Balance: January 1, 1991

187,173

Cash Balance: December 31, 1991

\$ 245,116

See the accompanying notes to this financial statement

**ASSOCIATION OF HOMEOWNERS OF MAKAHA VALLEY PLANTATION**  
**NOTES TO THE STATEMENT OF**  
**CASH RECEIPTS AND DISBURSEMENTS**  
**AND CHANGE IN CASH BALANCE**  
December 31, 1991

**NOTE 1. ACCOUNTING POLICIES**

In accordance with industry practice, the financial statement of the Association of Homeowners of MAKAHA VALLEY PLANTATION, which is a 572 unit townhouse condominium located in Waianae, Hawaii, is presented on the basis of cash receipts and disbursements; consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

**NOTE 2. ENDING CASH BALANCE**

The balance at December 31, 1991, is comprised of:

Petty Cash	\$ 500
Checking Accounts	28,447
Reserves	<u>216,169</u>
	\$ <u>245,116</u>

**NOTE 3. INCOME TAXES**

The Association is required to file Federal and State income tax returns each fiscal year. This has been done for this fiscal year. No taxes are due.

**NOTE 4. SURPRISE CASH CONFIRMATION**

In conformity with State law, I performed a surprise cash verification as of April 30, 1991. No discrepancies were encountered. The results of this verification have been incorporated into the preceding financial statement.

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This is a computer-generated report. The original report of  
Mr. Sullivan is on file at the Makaha Valley Plantation Office.







# Insurance Factors

1001 Bishop St., Ste. 2250 Pauahi Tower, HONOLULU, HI 96813

## Summary of Insurance Coverages for the Association of Apartment Owners of Makaha Valley Plantation

### Fire Insurance

- A. Amount of Coverage - \$32,600,000 on the 61 Buildings
- B. Policy Period - June 18, 1991 to June 18, 1992  
Written through the Travelers Insurance Co.
- C. Coverages
  - 1. Fire and Lightning
  - 2. Extended Coverage (Windstorm, Explosion, Hail, Riot, Riot Attending a Strike, Civil Commotion, Aircraft, Vehicles and Smoke)
  - 3. All Other Perils.
  - 4. Agreed Amount with the Replacement Cost Endorsement (Blanket Coverage).

Your 61 two & three-story buildings plus the recreation, office and pool house buildings are covered in the amount of \$32,600,000 for Fire, Extended Coverage and all other Perils. There is a \$1,000 deductible on all claims made under the Fire coverage.

The interiors of your apartments are covered under this policy as originally conveyed to you by the developer-contractor. Alterations and improvements you make of substantial and sophisticated upgrading in quality over original equipment may not be covered entirely by this Fire policy.

The interiors of the apartments, that is, the surface painting, ceiling decoration and floorings are covered under the master Fire policy. This would include carpeting and drapes of a permanent nature in the same quality as conveyed to original owners. Successive buyers are covered to a similar extent for like kind and materials conveyed to original owners. Water coming from common elements damaging your interior finishing (walls, ceilings and floorings) is normally covered by this policy. However, it will not cover such water damage which enters from leaking roofs due to deterioration and/or lack of repairs. Further, coverage is not provided for windstorm damage whereby the rain is driven through the window frames due to high winds. For coverage under these conditions, there must be evidence of wind damage to the outside of the building such as broken windows and/or shingles blown off the roof.

If you install fine carpeting, drapes and interior decorations, and in most instances you will, the master Fire policy will in most instances cover the cost to replace these items or similar in kind.

Washer-dryers and dishwashers conveyed originally and replacement of similar appliances are covered under the master Fire policy if a loss occurs due to fire and/or windstorm. Leaks from plumbing installed with the intent to serve the common elements normally are covered provided the leak is as a result of a bursting pipe. Water leaking from toilet bowls and maintenance of piping and valves within the interiors of the apartments are usually the owner's responsibility.

# Insurance Factors

1001 Bishop St., Ste. 2250 Pauahi Tower, HONOLULU, HI 96813

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## Public Liability

- A. Amount of Insurance
  - 1. Bodily Injury \$1,000,000 each occurrence
  - 2. Property Damage \$2,000,000 aggregate
- B. Policy Period June 18, 1991 to June 18, 1992.
- C. Coverages
  - 1. Premises - Provides coverage for losses arising out of injury in the common areas of the condominium, such as around the swimming pool, the walkways and grounds.
  - 2. In addition, your project is covered under the Broad Form Liability which provides you the following additional coverages:
    - a. Personal Injury and Advertising Liability, Special Broad Form Property Damage, Premises Medical Payments, Fire and Explosive Legal Liability, Incidental Medical Malpractice Liability, and Automatic Coverage for newly acquired organization.

## Non-Owned Auto and Automobile Coverage

- A. Amount of Insurance
  - 1. Bodily Injury \$500,000/\$500,000
  - 2. Property Damage \$100,000
- B. Policy Period June 18, 1991 to June 18 1992
- C. Coverages

This coverage protects the Board from automobile claims arising out of the use of an automobile owned by someone else, such as an employee or Director of the Association while on Association business. In addition, Policy No. 660-554J590-1 covers the 1986 Ford 3/4 T P/U which is used around the project.

## Umbrella Insurance

- A. Amount of Insurance \$2,000,000 each occurrence
- B. Policy Period June 18, 1991 to June 18, 1992



# Insurance Factors

1001 Bishop St., Ste. 2250 Pauahi Tower, HONOLULU, HI 96813

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2. Plates of glass in your apartments (window panes, sliding glass doors, etc.), as windows are normally only covered under the master Fire policy should they be damaged by windstorm or fire. You should schedule your large windows on your Homeowners policy, if possible.
3. Personal articles, furniture, clothing (jewelry is limited as well as art objects, and should be insured under "All Risk" by a Floater policy and/or schedule each item with your Homeowners policy).
4. Plumbing fixtures from your interior (whereby water leaks through the apartment below) is normally covered under Homeowners and/or Liability policy. No policy will cover the cost of repairing a break or leak caused by lack of maintenance, but usually will pay for ensuing damage, provided the pipe bursts. The above coverage pertains only to the interior of your apartments.

The outline above is a layman's version of the coverage provided by your Master Fire and Liability policies. However, the wording in the policies prevails should there be any conflict.

## How to Insure for Fire and Liability Coverages on Your Apartment

1. You may select a Homeowners policy which combines Fire, Liability, Additions and Alterations, Theft, Vandalism & Malicious Mischief, and provides you with additional living expenses should you be unable to reside in your apartment due to fire and/or smoke damage.
2. You may select separate policies for Fire, Liability and Theft. See your Casualty Insurance Agent for the coverage that best suits your needs. Be certain all items are considered and only with professional help can your coverage be tailored to meet your personal needs. However, for those owners residing in, I would recommend that you take out an HO-6 Homeowners policy on your personal possessions. This policy provides you with the additional coverage against loss to items permanently attached to the walls and loss of use of the apartment in case it cannot be occupied due to fire and/or smoke damage.

Should you have any questions on the above, you can contact me at my office, telephone 546-7475 in Honolulu.

**Thomas L. Horner**

Note: The above is a computer-generated copy of the Insurance Summary. The original is on file at Makaha Valley Plantation Office, as is a copy of the complete policy.

# ASSOCIATION OF APARTMENT OWNERS OF MAKAHA VALLEY PLANTATION

## ANNUAL MEETING - 1992

### PROPOSED RULES OF CONDUCT FOR THE MEETING

1. We ask that no smoking be done at your seats in consideration of those adversely affected by smoke. If you must smoke, please do so outside.
2. This is a private meeting of the AOA Makaha Valley Plantation and is restricted to attendance by owners, proxy holders representing owners, Association Officers and staff, and other individuals who have been specifically invited.
3. Bylaws, Article 2, Paragraph 11, require conduct of the meeting in accordance with Robert's Rules of Order. We have some additional rules to adopt to supplement this requirement:
  - a. If you desire the floor to speak on agenda business, please stand and be recognized by the Chair. You must provide your name and unit number for the record. Please use one of the floor microphones for any speeches.
  - b. Long and/or complicated motions must be in writing, delivered to the Chair. The maker must sign the motion along with a seconder. This will help our secretary with the minutes.
  - c. Debate is only permitted on a pending motion. Therefore, make sure that you don't start a long discussion without first making it in the form of a motion.
  - d. During debate, please be careful to stay on the subject.
  - e. Make sure that all remarks are addressed directly to the Chairman, not to each other.
  - f. The limit on debate is normally 10 minutes per speech, not more than twice on each motion per day. We are asking to limit debate to 2 minutes per speech, which was done last year.
  - g. Questions from the floor must be of general interest. Questions addressing specific items which could be answered by contacting the office staff or by attending a monthly meeting will not be permitted.

# MAKAHA VALLEY PLANTATION

## ANNUAL MEETING - 1992

### PRESIDENT'S ADDRESS

On behalf of the Board, I would like to thank all of you for attending this meeting, especially those who have had to travel some distance. I would also like to thank those resident homeowners who have given the Board support this past year, and the many owners from all over the world who have written such nice letters.

Thanks goes out to those members of our staff who are very dedicated, and without whom we could not operate.

Bob Eskola has done a great deal of work by investigating many items, and making reports on whether certain items are feasible. Thanks a lot, Bob.

Cliff and Margaret Weber have been our Research Committee for almost three years. For the many long hours of research, thanks to you both. In addition, Cliff has chaired our Budget Committee for the third year. I really appreciate the efforts put forth by him and his committee of Dorothy Smith and Cecil Bindel. Cliff is always so eager and ready to assist in anything for the good of the Plantation - I'm really grateful for his help.

Blythe has been the Association's Secretary since February 1989. Last year he was re-elected with the largest number of votes that I can remember. There are no words that I can use to express my thanks for the many, many hours that Blythe puts in. One weekend prior to this Annual Meeting, Blythe spent approximately 18 hours making copies for the handouts and other



items which you now have in your hands. This does not mention the hours which he spent in typing up the originals. He also spends many hours on the computer, and in the office with the girls, helping them out. Also, at least one day a week, he travels to Honolulu, delivering statements, picking up checks and shopping for office supplies. I'm sure that thanks comes not only from me, but also from the other Board members and many of the homeowners who know what he does. Thanks a million, Blythe.

I cannot forget two very important ladies - my wife, Irene, and Blythe's wife, Betty, whose lives have been completely disrupted over the past three years. Many thanks to Betty, who puts up with Blythe and me working in their home. Thanks, Betty, for all the many hours you've spent helping Blythe, particularly during the assembly of the Annual Meeting handout. Irene also makes many changes in her life and she never knows when I'll be home. She also puts up with all the documents I have laying all over the house. Thanks, Irene, for your understanding - my love to you !!

Many thanks to the other three Board members, - Tom, Virginia and Dick, and also to Sandy Grant who resigned during the term. I appreciate your availability when I need to discuss things, and also your efforts to attend the monthly meetings.

I really appreciate the special effort put forth by the following people who attended almost every monthly meeting this past year: Aldene Doherty, Bob and Ev Houser, Cliff and Margaret Weber, Gil Patterson, Tom Powers, Bob Eskola, Betty Thomas, Betty O'Donnell and Cecil Bindel. Your input is always valuable. I realize that there are some others who are unable to attend every meeting, but come when they can - I also appreciate their efforts.

Last, but far from least, thanks to George Huffman, the Sales and Catering Manager here at the Sheraton Makaha Resort, and his staff, who did such a fine job in setting up our meeting room today, and preparing all these goodies. How about a hand for these hard-working people ?

I hope I have not missed anyone who has been of assistance to us - if I have, - you know who you are, - so please accept our sincere thanks.

A year has passed since Rainbow Roof Maintenance completed the first phase of their 5-year Maintenance Contract. I was very pleased with their work. The latter part of February 1992 found them completing their first inspection and repair period. I'm also very pleased with the work they have accomplished which is given in detail in the February 1992 Meeting Minutes. Each year, they come out and completely inspect and do any work necessary to bring the roof up to par. They also come out at any time a problem arises and make repairs. For the assurance of good substantial roofs, the cost is \$7800 per year.

In March of 1991, the jacuzzi at the Sun 'N' Fun Pool had to be completely re-tiled and fibreglassed. The cost for this with a 15-year warranty was \$3400.

Through the year of 1991, the purchase of pool furniture was completed, at a cost of just under \$2000. We now have approximately 30 chaise lounges and 15 chairs along with several tables at each pool.

As most of you know, we completely re-plastered the Quiet Pool in 1990 for approximately \$20,000. The warranty on this was for only an 18-month period. This was done before Fiber-Tech established a branch office here in Hawaii. When the condition of the Fun 'N' Sun Pool became very bad, we contacted several pool refinishers. Fiber-Tech came up with a fiberglass finish for both the main pool and the wading pool for \$23,606.67. This finish attracts less algae, thus requires less chemicals. And the main point is - there is a 15-year warranty on these pools !!

As some of you may have noticed, we no longer have pay telephones at all the laundromats. We received a letter around June from GTE Hawaiian Tel, stating that because of lack of use, they would be removing all but two pay telephones on the Plantation. After a discussion by the Board, we decided to

put one pay phone at the office and the other at the other end of the Plantation, at the laundromat in 665 area.

In September 1989, we started resealing the parking lots and roads. We decided on the bid from Seal Masters for \$89,000. I'm pleased to report that all parking lots and Kiana Place have been completed for approximately \$79,000. This leaves only Ala Mahiku Drive for resealing. This part of the roadway was in fairly good condition, and the Board has decided to hold off on its completion for the present.

In mid-summer '91, we received a letter from the telephone company that they would no longer be in the Enterphone business, and would no longer maintain our system. It was necessary for the Board to make a quick decision to purchase a new Enterphone system, as we were given approximately a month. Had we waited longer, the removal of the old system would have cost us some \$60.00 per hour. The total removal time was roughly 35 hours for two men, or a cost of \$4200. We now own the new Enterphone system and do not have to pay rent as we did for 17 years. The total cost of the new system was \$4160. For those who are not familiar with Enterphone, this is a system whereby the Security Gate contacts the residents by means of a three-digit telephone number to ensure that visitors are wanted.

In July of 1991, we started having numerous problems with the hot water heaters. One of these, in the 755 area, died completely, leaving but one heater to handle the whole area. After numerous discussions, the Board made the final decision in October to replace the gas heaters with electric heat pumps. We decided to select the proposal of Energy Unlimited at approximately \$245,000, after receiving two other proposals - one in excess of \$400,00 and one in excess of \$300,000. We made the first installation in the 755 area, which has turned out to be much better than what we expected. At the same time, we purchased water-saving shower heads, which are being installed periodically. Since then, the gas truck has been able to by-pass the 755 area three times without any fill-up. And also,

the Board of Water supply called the front office to find out if we were having problems in that area, because our water usage was down from the normal 6,000 gallons to approximately 3,000 gallons. Four more areas are either on-line now or will be within the next few days. Peter Chiswick of Energy Unlimited, commented last week that he now feels we will have a much greater saving than what he had originally predicted. The Board elected to enter into a transaction with GECC Financial to supply the financing on a 5-year lease, with the total cost to be \$253,775.64. The monthly payments are to be \$4,961.31. At the beginning of 1991, our gas payments were approximately \$8500 per month. The average of the last three months gas bills was over \$10,500. With rising costs, we suspected that gas would double between the beginning of 1991 and the end of 1992. The efficiency is so much greater with the heat pumps than with gas-fired boilers. We believe that we will probably be saving \$5,000 per month even with the lease payment and the increased electric billing. At the end of the 5 years, the heat pumps belong to us with almost no maintenance and with only one residual payment at the end of the lease. Included in this amount are the two new heat pumps used on the jaccuzis at the pools. While the previous jaccuzi heating was also done with electricity, Mr. Chiswick states that we will save \$200.00 per month at each pool by using the heat pumps. This will result in an annual saving of approximately \$5000 for the jaccuzis alone.

On December 16, 1991, the card keys were activated at the quiet pool gate. The Board decided on keys at the pool gates because we have had so many people from the neighborhood areas, coming in strictly to use the pools. We have more work to do at the Fun 'N' Sun Pool around the fences before we can put the lock on that gate. The Board decided to charge each owner \$5.00 for the first key which has covered the cost of the purchase of all locks and keys. We also decided to make it difficult for outsiders to have a key by charging \$50.00 for the second key. The Board takes pride in this since we have received so many compliments on the improvement of the solitude at the quiet pool.