

# BANYAN HARBOR

ADOPTED MEETING MINUTES  
REVISION DATE: 22 February 2003  
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BANYAN HARBOR ASSOCIATION OF APARTMENT OWNERS  
ANNUAL HOMEOWNER'S MEETING  
Saturday, February 23, 2002 / 1:00 p.m.  
Kauai Marriott Resort  
3610 Rice Street  
Lihue, Hawaii 96766

(a) ROLL CALL

Vice President Knott called the meeting to order at 1:00pm

**Board Members Present**

Loren Knott, *Vice-President*                      Dick Rentz, Secretary                      Dick Reis, Director  
Harry Baker, Director                      Cathy Martin, Director                      Gus Enderlin, Director

**Board Members Absent**

Shirley Akita, *President*

**Outrigger Lodging Services**

Rick Ball, *Vice-President, Outrigger Lodging Services*                      Chris Gampon, *General Manager, Banyan Harbor*  
Stephanie Nakamatsu, *Accounting, Banyan Harbor*                      Tore Wistrom, *Principal, Resort Consultant, Inc.*  
Heather Akau, *Registrar, Banyan Harbor*

Attendance by interval owners recorded in Registrars Log.

(b) PROOF OF NOTICE AND QUORUM

Chris reported that notice was mailed to all homeowners on December 07, 2001 and again on January 11, 2002.

QUORUM RESULTS	
Interest represented by proxy	47.9408%
Interest represented in person	11.1737%
<b><i>Total interest represented</i></b>	<b><i>59.1145%</i></b>

(c) APPROVAL OF MINUTES OF PRECEDING ANNUAL MEETING

- a. **February 24, 2001** – Vice President Knot asked if there were any corrections to the minutes distributed. Hearing none the following motion was made

**MOTION:**                      ***To approve the minutes as distributed.***

**MOVED BY:**                      Linda Garcia, Second: Charles Looney  
**VOTE:**                              Unanimous, **PASSED**

**(d) REPORT OF OFFICERS AND DIRECTORS**

- a. **Vice-President's Report** – V.P. Knott reported that the property is in the best physical condition it has ever been. He ran into several homeowners since he has been on-property and they echo this opinion. Loren added that along with aesthetic improvements, the Association is in a great financial position. He added that the Board has worked hard to get to this point and will continually strive to keep Banyan Harbor a high quality property. Loren commended Outrigger Lodging Services for being able to turn a struggling Association into a thriving entity. Special thanks were given to Chris and his staff.
- b. **Directors Report** – Cathy Martin thanked Loren Knott and Dick Reis for the many years of service they have given to Association. Cathy wished both Directors well as their final term was to end at the close of this meeting.

**(e) MANAGEMENT REPORT**

**General Manager's Report** - Chris reported that the staff continues to work well together. Chris added that reserve projects during the previous year included work installation of solar heating to the admin building, replacement of light bulbs from incandescent to fluorescent, improvements to the pool decking and safety enhancement to the sewage treatment plant. This year, focusing on long-term savings, we will be looking into installing a well that can be used to irrigate the grounds. With the rise in water use fees already experienced and the 24% increase scheduled for next year, this expense is growing at a pace that is outside the association's ability to absorb it at the current fee structure. The irrigation well will help reduce the water expenses. We will continue to look for projects like this that will reduce expenses.

**(f) ELECTION OF INSPECTORS OF ELECTION**

Vivian Rodriguez, owner of apartment #118 and Gordon Higa, owner of apartment 75 were elected to serve as inspectors for the Board election and any other matter that may be voted on during the annual meeting.

**(g) ELECTION OF DIRECTORS**

Vice-President Knott introduced the candidates to the audience. Each candidate in attendance was allowed time to address the audience. Candidates addressing the audience were Gus Enderlin, Linda Garcia, Charles Looney, Bob Silva, and Elinor Weeks.

After the introductions Vice-President Knott explained to the audience that three Board positions were to be filled. Two positions for full-terms and a third for a partial term. The partial term is available because former Treasurer Carol Medeiros sold her unit prior to the end of her term. As such, a director must be elected today to fill the remaining year of her term. During today's election the third highest vote getter will take the partial-term.

Vice-President Knott asked if there were any other homeowner's who wished to run for a position on the Board of Directors. Hearing none the following motion was accepted.

<b>MOTION:</b>	<b><i>To nominate the slate of candidates as introduced.</i></b>
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**MOVED BY:** Harry Baker, Second: Bob Silva  
**VOTE:** Unanimous, **PASSED**

Vice-President Knott gave instructions on voting procedures. Thereafter the meeting was adjourned to allow time for ballots to be completed and submitted for tallying.

Meeting adjourned: 1:32pm  
Meeting reconvened: 2:11pm

# BANYAN HARBOR

**Election Results –** results for the election are as follows. Candidates are listed in order based on the number of votes obtained.

CANDIDATE	VOTES
Enderlin, Gus	48.9484
Garcia, Linda	43.1696
Weeks, Elinor	42.7055
Silva, Bob	12.9743
Looney, Charles	11.9420

The two highest vote getters were elected to serve three-year terms. They are Gus Enderlin and Linda Garcia. The third highest vote getter is elected to a partial term that will end at the close of the annual meeting to be held during February of 2003. That Director is Elinor Weeks.

Vice-President Knott congratulated the newly elected Board members.

## (h) UNFINISHED BUSINESS

Vice-President Knott asked if there was any unfinished business to come before the Board. Hearing none, the meeting continued to new business items.

## (i) NEW BUSINESS

- a. **Tax rollover resolution –** Vice-President Knott reported that each year a resolution must be made to transfer any surplus funds at the end of the current fiscal year into the operating or reserve account for the following year. This is done in order to maintain the tax exempt status of the association.

<b>MOTION:</b>	<i>That the Banyan Harbor Association of Apartment Owners direct that the amount by which the member's assessments in fiscal year 2002 exceed the total expenses of the Association for the purpose of managing, operating, maintaining and replacement of the Association's property be applied to the fiscal year 2003 operating and/or reserve account.</i>
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**MOVED BY:** Pat Humphrey, Second: Bob Garcia  
**VOTE:** Unanimous, **PASSED**

- b. **Audit for 2001 –** Vice-President Knott reported that the Board had approved a proposal by Terry Wong to perform the audit for the 2002 fiscal year.
- c. **Land Fronting Buildings L, K and B –** Tore Wistrom reported that, after the death of the land owner, the lot fronting the property is now in probate. The trustees have indicated that they may be interested in selling or leasing the land after probate has been completed. This is an opportunity for the Association to control the land through an outright purchase or long term lease. Tore added that, because of the lengthy process, the Board has decided to start polling owners on interest in the possible purchase/lease. If there is enough interest, this issue will be voted on during the next annual meeting. In order for any purchase or lease to take place, 90% of the owners (interest) must vote in favor of the proposal. Tore reported that if the Banyan Harbor does not act, there is a possibility that the owner may build on the property, or sell it to another individual or business. It is possible that an unacceptable structure will be built and that will potentially have a negative effect on the property value at Banyan Harbor. Dick Reis indicated that it is important that the owners address this issue.

- d. **Approval of Director Expenses** – Chris reviewed distributions made to Board members as reimbursement of expenses related to attending Board and annual meetings for 2001/2002. Chris added that the owners will need to approve an expense cap for 2002/2003. The current reimbursement level is a maximum of \$1500.

**MOTION:** *To approve the expenses related to 2001/2002 and to renew the \$1,500 limit of expenses for each Board member for the 2002/2003 meeting schedule.*

**MOVED BY:** Don Landauer, Second: Bob Garcia  
**VOTE:** Unanimous, **PASSED**

- e. **Owner Comments** – Vice President Knott asked if there were any issues to address from the floor or any comments that homeowner's would like to make. The following was heard.
- i. **Floor Damage** – Bob Silva (Apt. 18) reported that he sent a letter to the Board regarding his floor covering that sustained damage and we was notified that the Association would not cover the damages. Bob asked if the same result would be true if this happened to a Timeshare unit. Vice-president Knot reported that the Board had reviewed the issue and given the same set of facts, the outcome would be the same.
  - ii. **Jacuzzi** – Ben Bregman thanked the Board for the good work. He added that his previous offer to the Association to donate \$10,000 toward the installation of a Jacuzzi still stands. Ben still feels that the addition of a Jacuzzi would be a great benefit to all homeowners. Ben would like the issue brought to a vote during the next annual meeting. Vice President Knott thanked Ben and reported that the issue will be addressed during the next annual meeting.
  - iii. **Car Washing** – A question was raised from the floor regarding the status of car washing on property. Vice President Knott reported that after review the options the Board concluded that there was no "good" area to wash a vehicle without inconveniencing another resident/owner. As such it was decided to restrict the washing of vehicles on property.
- f. **Next Annual Meeting** – Vice President Knott confirmed the next annual meeting date of Saturday February 22, 2003.
- g. **Other new business** – Vice President Knott asked for any other new business. Hearing none the meeting was adjourned

(j) **ADJOURNMENT**

**MOTION:** *To adjourn the annual meeting.*

**MOVED BY:** Bob Silva, Second: Lind Garcia  
**VOTE:** Unanimous, **PASSED**