

BANYAN HARBOR

UN-ADOPTED MEETING MINUTES

REVISION DATE: 21 May 2003

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BANYAN HARBOR ASSOCIATION OF APARTMENT OWNERS

ANNUAL HOMEOWNER'S MEETING

Saturday, February 22, 2003 / 1:00 p.m.

Kauai Marriott Resort

3610 Rice Street

Lihue, Hawaii 96766

1. CALL TO ORDER AND ROLL CALL

Vice-President Martin called the meeting to order at 1:05pm

Board Members Present

Cathy Martin, *Vice-President*

Gus Enderlin, *Treasurer*

Harry Baker, *Secretary*

Linda Garcia, *Director*

Elinor Weeks, *Director*

Board Members Absent

Shirley Akita, *President*

Outrigger Lodging Services

Rick Ball, *Vice-President, Outrigger Lodging Services*

Chris A. Gampon, *General Manager, Banyan Harbor*

Stephanie Nakamatsu, *Accounting, Banyan Harbor*

Tore Wistrom, *Principal, Resort Consultant, Inc.*

Kearn Sukisaki, *Registrar, Banyan Harbor*

Starlin Gampon, *Registrar, Banyan Harbor*

Owners

Attendance by owners recorded in Registrars Log.

2. PROOF OF NOTICE AND QUORUM

Chris [Gampon] reported that notice was mailed to all homeowners on December 06, 2002 and again on January 11, 2003

QUORUM RESULTS	
Interest represented by proxy	54.115%
Interest represented in person	11.172%
Total common interest represented	65.287%

3. APPROVAL OF MINUTES

- a. **Annual Meeting February 23, 2002** – Cathy [Martin] asked if there were any corrections to the minutes distributed. Several corrections were noted.

MOTION: *To approve the minutes as corrected.*

MOVED BY: Linda Garcia, Second: Gus Enderlin

VOTE: Unanimous

RESULT: PASS

4. MANAGEMENT REPORTS

- a. **President's Report** - Cathy [Martin] reported that President Akita was unable to attend the meeting due to recent surgery. Cathy indicated that Shirley is expected to be fully recovered in the very near future.

Cathy continued her report by referencing the "2003 Highlights" handout. Cathy deferred to Chris for more detail on those highlights.

- b. **Treasurer's Report** - For Treasurer Enderlin, Rick [Ball] reported that the Association is in good financial shape. Expenses that can be controlled are well managed. Rick indicated that insurance premiums are going up globally and that Banyan Harbor has seen only a modest increase of 10% over the prior coverage period. This is very good news. Rick added that the AOA's reserves are solid and that reserve projects are reviewed each quarter in order to keep the Reserve Study current.
- c. **Manager's Report** - Chris [Gampon] reported that 2003 was another great year for the AOA. The property continues to look good and many projects were completed throughout the year. Chris highlighted the major work in the "2003 Highlights" handout provided to all attendees. Among the projects completed are a pool fence that was installed on a hollow-tile base to ensure long stability; the barbecues were upgraded to enhance the use-life of the grills; The pool and cabana deck was repaired and received a new color coat; the pool received a new pump motor; cement steps were replaced; the first step of the exterior railing project was completed; and the irrigation well was installed. Chris added that the ability to complete work with in-house labor has saved the association a great deal of money and is helping to keep annual fees level.
- d. **Budget 2003** - Gus [Enderlin] reported that there would be no need to increase maintenance fees in 2003. Gus indicated that he is not sure how much longer fees will be able to remain unchanged. Gus reported that since Outrigger Lodging Services began management of the property, they have been able to streamline procedures and manage projects and expenses so that the owners have not had to suffer any increases. Gus indicated that with the costs rising, there may be need to increase fees in the next few years. Gus thanked Chris [Gampon] and OLS for the fine job of managing the Association's financials.

Deanna Shelby (unit #60) asked a question regarding telephone revenues. Chris [Gampon] indicated that the summary that is normally provided does not show the revenues separately but a copy of the detail can be obtained from the management office.

5. ELECTION

- a. **Nominations** - Cathy [Martin] reported that biographical sketches for owners who were seeking a position on the Board were sent to all homeowners. Cathy read the names of the candidates whose bios were mailed out. They are Loren Knott, Cathy Martin, Herbert Putnam, Bob Silva, Alan Snodgrass, and Elinor Weeks.

MOTION:	<i>To nominate the slate of candidates named.</i>
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MOVED BY: Harry Baker, Second: James Solberg (Timeshare BOD)
VOTE: Unanimous
RESULT: PASSED

Cathy asked if there were any nominations from the floor. No additional nominations were made.

MOTION:	<i>To close the nominations.</i>
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MADE BY: Harry Baker, Second: Marty Gabler (unit #113)
VOTE: Unanimous
RESULT: PASSED

- b. **Election of Inspectors** – Cathy [Martin] reported that in order to process ballots and provide results, members of the Association were needed to inspect and tally ballots for the election and any other vote taken. Cathy asked for volunteers. Gordon Higa (unit #75), James Solberg (Timeshare BOD), and Meryl Ferrari volunteered for the duty.
- c. **Introduction of Candidates** – Each candidate in attendance was provided an opportunity to introduce themselves to the owners in attendance.
- d. **Election & Election Results** – After the introductions, Chris [Gampon] reported on the election process. Chris indicated that three Board positions would be filled. Chris reported that because association members are in charge of inspecting and tallying the ballots, the meeting will be adjourned to allow for that function.

Adjourned for elections: 1:42pm

Reconvened: 3:00pm

CANDIDATE	VOTES
Martin, Catherine	58.0589%
Weeks, Elinor	55.3069%
Snodgrass, Alan	48.6551%
Knott, Loren	11.4364%
Silva, Bob	10.9314%
Putnam, Herbert	3.4900%

Catherine Martin, Elinor Weeks, and Alan Snodgrass were each elected to three (3) year terms.

6. OLD BUSINESS

Cathy [Martin] reported that there were no old business issues on the agenda, prior to moving to new business, Cathy asked if there was any old business that may have been overlooked.

- a. **Mailboxes** – Deanna Shelby (unit #60) asked for an update on the mailboxes and mail guidelines. Chris [Gampon] reported that when the issue was last addressed, installation of mailboxes were considered but found to be cost prohibitive. The best option for the Association was to work with the Lihue Post Master to define guidelines that fit the needs of the Post Office, The Owners/Residents, and operational limitations. The result of that work is the guideline now included in the Association's House Rules.
- b. **Other Old Business** – Hearing no other old business, Cathy [Martin] continued with New Business.

7. NEW BUSINESS

- a. **Audit 2001-** The proposal by Terry Wong, CPA to audit the Association financials was accepted.

- b. **Jacuzzi** – Linda [Garcia] reported that because the response by homeowners (via proxy and in-person) was less than the required 75% (in-favor), there was insufficient interest to proceed with a vote to install the Jacuzzi. Discussion on the issue led to the following motion:

MOTION: *That this meeting be adjourned to Wednesday May 21, 2003 to allow for additional time to obtain sufficient response to hold a vote for the installation of the Jacuzzi.*

MADE BY: Larry Baum (unit #115), Second: Robert MacMillan (unit #93)
VOTE: Unanimous
RESULT: PASSED

Larry Baum volunteered to head the effort to contact owners on this issue.

- c. **Land by Bldg B (proposed purchase)**– Gus [Enderlin] reported that like the Jacuzzi issue, because the response by owners (via proxy and in-person) was less than the required 90% (in-favor) there was insufficient interest to proceed with a vote on this issue. Gus reported that due to the unfavorable response, the Board is recommending this become a dead issue. After some discussion, there was no objection to the recommendation.

Bob Silva (unit #18) suggested that the Board pursue a use agreement in trade for continued upkeep. Cathy [Martin] asked Bob to outline his requests/ideas to the Board in writing so the Board would have time to review them.

- d. **Roll Over Resolution** – Gus [Enderlin] 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.

MOTION: *That the Banyan Harbor Association of Apartment Owners direct that the amount by which the member's assessments in fiscal year 2003 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 2004 operating and/or reserve account.*

MOVED BY: Gus Enderlin, Second: Deanna Shelby (unit #60)
VOTE: Unanimous
RESULT: PASSED

- e. **Approval of Director Expenses** – Gus [Enderlin] reported that each year, members of the Association are provided with a summary of Board reimbursements. The current limit is \$1,500 for each Board member. That money is used to attend the Board meetings throughout the year.

MOTION: *To accept the Board expenses for 2002 and continue to use \$1,500 as a limit for reimbursable expenses.*

MOVED BY: Harry Baker, Second: Gus Enderlin
VOTE: Unanimous
RESULT: PASSED

f. **Other New Business / Open Discussion** – Other business was discussed as follows:

- i. **House Rules** – Chris [Gampon] reported that rules related to plants on lanais and over-the-air reception devices were provided in the material handed out to the meeting attendees. These rules were adopted by the Board and have been presented for discussion during this meeting.
- ii. **Annual audit presentation** – Rod Sword (unit #64) suggested that the annual audit report be presented so that it displays prior year data for comparison. Rick [Ball] indicated that if we continue to use the services of the same agency we will request the change.

8. **NEXT ANNUAL MEETING (SATURDAY FEBRUARY 21, 2004)**

The date for the 2004 annual meeting was confirmed.

9. **ADJOURNMENT**

MOTION:	<i>To adjourn the meeting as previously agreed.</i>
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MOVED BY: Larry Baum (unit #115), Second: Meryl Ferrari (unit #23)

VOTE: Unanimous

RESULT: PASS

Chris [Gampon] announced as moved earlier, the meeting will adjourn and reconvene on Wednesday May 21, 2003 in order to allow additional time to collect proxies related to the installation of the Jacuzzi.

4:00pm

BANYAN HARBOR ASSOCIATION OF APARTMENT OWNERS

ADJOURNED ANNUAL HOMEOWNER'S MEETING

Wednesday, May 21, 2003 / 4:00 p.m.

Kauai Marriott Resort

3610 Rice Street

Lihue, Hawaii 96766

1. CALL TO ORDER

President Akita called the meeting to order at 4:10pm

Board Members Present

Shirley Akita, President

Cathy Martin, *Vice-President*

Gus Enderlin, *Treasurer*

Harry Baker, *Secretary*

Linda Garcia, *Director*

Elinor Weeks, *Director*

Alan Snodgrass, *Director*

Outrigger Lodging Services

Chris A. Gampon, *General Manager, Banyan Harbor*

Stephanie Nakamatsu, *Accounting, Banyan Harbor*

Kearn Sukisaki, *Registrar, Banyan Harbor*

Owners

Attendance by owners recorded in Registrars Log.

2. PROOF OF NOTICE

Chris [Gampon] reported that notice was mailed to all homeowners on March 25, 2003.

3. APPOINTMENT OF INSPECTORS

Shirley [Akita] reported that because the response by homeowners (via proxy and in-person) was less than the required 75% (in-favor), there was insufficient interest to proceed with a vote to install the Jacuzzi.

Gus [Enderlin] added that based on the limited response from homeowners, the Board of Directors is recommending that the installation of the Jacuzzi become a dead issue. After a short discussion, there was no objection from anyone in attendance.

Shirley [Akita] added that Mr. Larry Baum owner of unit #115 had taken the time to contact as many homeowners as possible in an effort to get the necessary votes for the installation of the Jacuzzi. Mr. Baum has done a great service for the Association. The Board asked that their appreciation for Mr. Baum's effort be recorded in the minutes.

4. JACUZZI

Not applicable.

5. ADJOURNMENT

The meeting was adjourned at 4:18PM