

Banyan Harbor

ADOPTED Meeting Minutes
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**BANYAN HARBOR TIMESHARE ASSOCIATION
ANNUAL MEETING
FEBRUARY 22, 1997
Kauai Marriott**

Call to Order 9:13 am.

I. Roll Call all those present introduced themselves

Loren Knott	President
Ed Rathjen	Vice President
Sharon Baker	Secretary
Jim Solberg	Director
Harry Baker	Owner / AOA Board
M/M Robert Garcia	Owner
Bonnie Solberg	Owner
Greg Trombley	Owner
Ben Iverson	Owner
Jo Ann McBroom	Owner
M/M Alan Snodgrass	Owner
Jerry Sherman	Kraus Anderson
Richard Reis	AOAO Board
Roger Cable	AOAO Board
Shirley Akita	AOAO Board
Richard Rentz	AOAO Board
John Regan	AOAO Owner
Tore Wistrom	Resort Consultant Inc.
Gordon Lester	Interstate Hotels
Glenn Perry	Alana Waikiki
Malana deSilva	GM Banyan Harbor
Bob Egan	Maintenance Banyan Harbor

II. PROOF OF NOTICE - Sharon Baker

Notices for this meeting were mailed on 01/17/1997.

III. MINUTES

MOTION: *That the minutes be approved as mailed.*

MOVED BY: Ed Rathjen, seconded by Jim Solberg
VOTE: Unanimous, **PASSED**

IV. President's Report - Loren Knott

1996 was the first full year under Colony Management. A lot of progress has been made much of it due to the manager on property, Malana deSilva. Banyan Harbor is a difficult property to manage. Demanding tasks included major upgrades in the Timeshare units with cabinets, draperies, sofas, love seats and chair upholstery. Common element upgrades included lanai repairs, deck repairs, painting of the common area and major pool repairs. Today the Banyan Harbor is a different property than a year ago and especially 18 months ago when Colony took over. The Timeshare units are in wonderful shape considering they are 18 years old and have greatly improved over the last year.

Aside from these great things happening on the property there are awful things happening in the County and State. The County will tax timeshares on the basis of sales price rather than value. Thus a Timeshare unit may be taxed at two or three times as much as an owner occupied unit next door. The Association and staff are working on keeping the taxes as low as possible. This could amount to \$3.00 - \$4.00 per month per unit.

The day before yesterday the State Legislature started hearings on a bill to levy Transient Occupancy Tax on Timeshare units. The tax would be based on reputed rental value. This is presently in the legislature. A weeks stay at Banyan Harbor would require a payment of \$100 in taxes for that week. The Hawaii Hotel Association is in favor of this measure as they already are paying this tax. The Hotel Association is calling it "leveling the playing field." And the State of Hawaii needs money. Of course timeshare owners can not write off this tax as an expense as the hotels do. The Timeshare Board of Directors will have to look for savings in operations. New real estate taxes and the transient tax makes Banyan Harbor less affordable.

V. Refurbishing report - Sharon Baker

1996 was a busy, exciting year for Banyan Harbor. We are seeing many changes in the exterior - with the new walkway and lanai finishes, plus the new look of the complex, with the new paint. In addition to the exterior, we have been working on the updating of the timeshare units. We need to continually do this in order for, you, the owners not only to enjoy your time here, but also to enhance the units in the eyes of RCI and our exchange guests.

1996 saw the completion of new cabinets and counters, plus new cabinetry in the townhouses ½ bath valued at a little over \$100,000.00. New bedspreads for each timeshare unit were also purchased, and the installation of traditional lined draperies was completed. Also, new artwork was installed in each unit.

A new living room sofa sleeper and love seat has been placed in I-107 for the Board to see prior to the meeting. The remaining sofa sleepers and love seats plus the side chairs

will be arriving in March and will be installed shortly thereafter. The fabric is called "Island Spice" and the sleeper has a 5-1/2 inch innerspring mattress.

The Board is considering the updating of the bathrooms, which would include new counters, mirrors & lighting. I visited an owners unit Friday, which was modernized by them. It was lovely with a white counter and wood trim to match the kitchen cabinets, the center light bar was removed as were the canned lights, they were replaced by two ceiling fixtures and a wall to wall mirror was placed over the sink.

We, as a Board, are very excited about the completed projects and the upcoming enhancements to our units, and hope that you share our enthusiasm.

VI. Election

Quorum - 645 intervals out of 1600 are represented by proxies or in person. This is 40% of the ownership. The By-laws require 15% to form a quorum.

Nominations forms were sent out to all the owners

MOTION: *That the 11 names received from the owners be placed in nomination and the nominations be closed.*

MOVED BY: Alan Snodgrass, second by Mrs. Garcia.

The following (in alphabetical order) were nominated for the three available positions on the Board and those present spoke on their behalf.

Sharon Baker
Sandra Bors
Mary Broude
W. Thomas Brunberg
Brett Esterberg
Robert Garcia
David Jackson
Ed Rathjen
Rueben V. Sanquinet
G. Alan Snodgrass
Gregory Trombley

Election Inspectors: Bonnie Solberg and a guest were appointed election inspectors.

Recess at 9:52 AM to cast ballots.

Reconvened at 10:04 AM

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VII. UNFINISHED BUSINESS

Financials from last year are still being audited. This will be finished within the next three weeks and will be sent to those who designate it on their proxy.

VIII. NEW BUSINESS

A. Board Reimbursement Common Element-Ballot A

MOTION: That the Board representing the owners vote to approve the Board of Directors Reimbursements as presented on Ballot A at the AOAO meeting to be held this afternoon, February 22, 1997.

MOVED BY: Alan Snodgrass, seconded by Sharon Baker.
VOTE: Unanimous, **PASSED**

B. Voting at common element meeting.

MOTION: That the Board vote on Directors etc as per the votes indicated by majority of the owners and otherwise as they see fit.

MOVED BY: Alan Snodgrass, seconded by Mr. Garcia
VOTE: Ballots were collected, **PASSED** 571 to 3

C. Housekeeping Motions

MOTION: I hereby move that the Banyan Harbor Timeshare Owner's Association direct, that the amount by which the member's assessments in the fiscal year 1997 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 1998 assessments.

MOVED BY: Alan Snodgrass, seconded by Ed Rathjen.
VOTE: Unanimous, **PASSED**

D. Declarations Amendment

At the February 16, 1990 meeting of the Banyan Harbor Timeshare Owners Association, the Association voted to entirely restate the Declaration of Covenants, Conditions and Restrictions for the Timeshare Association. One of the changes made was to simplify timeshare voting at the Association of Apartment Owners of Banyan Harbor (sometimes called common element or master association) meetings. Your Board of Directors believed at that time and still believes that the procedure substituted at that time was far simpler than as proposed below and was and is legal and workable. There have, however, been questions raised by whole unit owners at Banyan Harbor questioning the validity of the Timeshare Association's vote. In order to put to rest any controversy, the Board is proposing that you vote in favor of the more complicated but clearly valid voting procedures set forth in the Amendment to the Declaration being proposed by the Board of Directors which reads as follows:

(I) Master Association Voting. The Board is authorized to exercise the vote that each time-shared apartment is entitled to exercise in the Master Association unless a majority of the Owners of a particular apartment elects, on any particular occasion, to themselves exercise the same. In connection with the exercise of such vote, the Board of Directors of the Association shall, within 20 days prior to the annual and 10 days prior to any special meeting of the Master Association, obtain the agenda for such meeting and such other information as may be reasonably available on the matters to be voted upon at such meeting and shall disseminate such agenda and information by mail to each owner together with a form of ballot prepared by the Association for return by each owner to the Association, which form shall request that each owner indicate to the Association the manner in which such owner desires to vote of the particular time-shared apartment to be exercised with respect to each matter upon which vote is to be taken. The Board of Directors of the Association shall exercise the vote for each time-shared apartment in that manner which is approved by the majority of the participating owners of that apartment responding to such request; if owners responding split evenly on any such matter or if no owners respond, the Board shall be entitled to exercise the vote for such time-shared apartment in the manner it deems to be in the best interests of the owners. The Board of Directors of the Association shall be entitled to exercise the vote for each time-shared apartment as it deems to be in the best interests of the owners as to all matters which come before a meeting of the Master Association, because of circumstances beyond the control of the Association, the Association shall not have had the time to implement the foregoing procedure (including but not limited to matters properly before the Master Association which were not specifically enumerated on the agenda and not reasonably anticipated to arise). Except as provided in the first sentence of the subparagraph (I), each owner shall be deemed to have authorized the Association to act for him at any such meeting of the Master Association and for this purpose, each owner, by accepting the conveyance of the timeshare interest, appoint the Board of Directors of the Association as his proxy to represent such owner at all meetings of the Master Association and no

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further authorization or proxy is or shall be necessary to authorize the Association or its designee to act for such owner at any such meeting.

MOTION: *That the Declaration be amended as noted above and sent out with the notice of the meeting.*

MOVED BY: Mr. Snodgrass, seconded by Sharon Baker.
VOTE: Ballots were collected, **PASSED** 572 to 46

Election Results

Robert Garcia	774.75 elected to a two-year term
Ed Rathjen	731.25 elected to a two-year term
Sharon Baker	729.75 elected to a one-year term
Sandra Bors	159
Thomas Brunberg	106.25
Brett Esterberg	98
Mary Broude	70
Rueben Sanquinet	66
Greg Trombley	46
David Jackson	46
Alan Snodgrass	19

MOTION: *To adjourn*

MOVED BY: Alan Snodgrass

Adjournment 10:54 AM

Respectfully Submitted,

Patty Kaliher
Computer Productions