

# Banyan Harbor

**BANYAN HARBOR TIMESHARE ASSOCIATION  
BOARD OF DIRECTOR'S MEETING  
Friday, September 15, 2000 9:00 a.m.  
Gaylord's Restaurant at Kilohana**

The meeting was called to order by President James Solberg at 9:00 a.m.

## 1. ROLL CALL

### Board Members

James Solberg, President  
Loren Knott, Vice President  
Robert (Bob) Garcia, Treasurer  
Ed Madamba, Director

Absent: Sharon Baker, Secretary

**NOTE:** *Issues voted on and noted as passing unanimously reflect Board members in attendance and do not include votes from Secretary Sharon Baker.*

### Outrigger Lodging Services

Rick Ball, Vice President, Outrigger Lodging Services  
Chris Gampon, General Manager, Banyan Harbor  
Tore Wistrom, Principal, Resort Consultant, Inc.

Donna Chu, Recording Secretary

### Owners / Others

Ben Bregman, Timeshare Liquidators Hawaii

## 2. PROOF OF NOTICE

Chris reported that notice was posted on August 11, 2000.

## 3. APPROVAL OF MEETING MINUTES

- a. Board Meeting May 6, 2000 – Corrections were noted as follows:
- Correction to page 2 – to name “Krause” should be “Kraus” (Anderson).

**MOTION:** *To approve minutes as corrected.*

**MOVED BY:** Ed Madamba, Second: Bob Garcia  
**VOTED:** Unanimous, **PASSED**

## 4. MANAGEMENT REPORTS

- a. **President's Report** - President Solberg noted heavy occupancies throughout the property. He requested a review of the process used to handle delinquencies as he has been requested to intervene by an owner who has a past due amount. He stated that reports from property are good and the timeshare units are well maintained. He further expressed thanks to Staff for the continued job well done.
- b. **Manager's Report** - Chris reported that the staff continues to work well. He reported that Brett Soboleski left the staff (Maintenance Dept.) for another opportunity. With his departure, other staff members asked to fill the hours that Brett had vacated. Chris has adjusted the staffing to fill the gap. Loren Knott commented that the budget should address the value of good staff members and increases in compensation should be made to accommodate.

Chris also reported that he had a meeting with Ben Bregman to discuss RCI's new Global Points Network. Chris turned the report over to Ben who outlined the Global Points program. Ben will administer the program and allow all owners at the Banyan Harbor an opportunity to join the program.

## 5. FINANCIAL REPORTS

- a. **July 2000 Financial** - Rick Ball reported revenues exceed budget by \$22,000. Operating expenses were up; utilities rates & energy adjustments in the past 6-8 months have continued to rise.

The Board agreed that the use of credit cards for payment of regular dues is undesirable, as it costs the Association 2 ½ %. Chris noted that this is harder for the staff as we have to process these manually. Jim Solberg suggested that **no new credit card payments for regular maintenance fees be accepted due to the fees that have to be paid for each transaction. The Board agreed that exceptions could be made for owners paying off delinquent fees, or whose bank is outside the United States. The Board also agreed that a \$5.00 fee for each transaction was reasonable and should be assessed.**

Rick Ball reported on Banyan Harbor Timeshare-Capital Budget Worksheet dated 9/13/2000. Robert Garcia inquired about our ability to pay off the loans without prepayment penalty. Tore reported that the construction loan has no penalty but the lease cannot be paid off early. James Solberg suggested that if there is a surplus, the Board should consider paying off the construction loan as a first choice.

Rick reported that insurance companies have warned of a pending increase of premiums. Rick noted that the insurance renewal is coming in October. Rick reported that Alan Baer at OLS has been negotiating with our carriers to secure the best premiums for the remainder of 2000 and into 2001. Per Alan's instruction Rick will be planning on increases of at least 15% in insurance premiums in the 2001 budget. Alan

has forecasted increases of approximately 5% for wind insurance, 20% for general liability; 20% for worker's comp; and 15% for medical. Rick is working with Alan to extend premium renewal from October 2000 to December 2000 to allow for more time to negotiate premiums.

- b. **Collection** – Ben Bregman reported on accounts assigned to Timeshare Liquidators. He hasn't received any new accounts since the initial assignment. Ben was successful in collecting 8 of 22 intervals, which were turned over to his company. This represents a settlement of approximately \$8-10 thousand in maintenance fees. Ben has 13 intervals pending and notifications/liens have been filed. The 13 intervals are scheduled for auction in late October or early November. Ben noted that he settled these accounts at no cost to the Association.

Ben answered questions related to a particular phone call from an interval owner to President Solberg regarding delinquent fees. Based on that discussion, Jim will write a letter to the owner outlining a course of action that should be followed.

Chris Gampon reported on the latest update from Ann Anderson dated 9/14/2000. The Board asked Chris to get another update from Ann Anderson by November 15, 2000, two weeks before the next Board Meeting, to determine the progress of the accounts assigned to her.

**MOTION:**     *To not accept new credit card payments for regular dues; for people who are paying by credit card now a letter be sent to them encouraging a change to EFT; and to allow exceptions for owners who live and have banks outside the United States or owners who are settling delinquent account balances.*

**MOVED BY:**           Loren Knott, Second: Robert Garcia  
**VOTED:**               Unanimous, **PASSED**

- c. **Sale of Timeshare Weeks** – Loren Knott and James Solberg commented on problems with RCI's telephone access. Ben noted that RCI had miscalculated the market trend toward technology but has since made changes that will make it easier to contact them for trading or other issues. Ben noted that he will be including the Global Points Network program in the cost of new sales, and will offer the program to existing owners through the Timeshare newsletter.

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## 6. UNFINISHED BUSINESS

- a. **RCI Comment Cards** - Loren Knott reported units look good and that Housekeeping has done a great job.
- b. **2000 Refurbishing** - Tore Wistrom reported the renovations are complete and only a few appliances remain to be ordered.
- c. **Unit Safe** - Chris Gampon reported they haven't received safes on property and was advised that no safes were available in the state at the time we placed our order. Chris will contact the Safekeeper representative and have this scheduled for the first date that safes are available.
- d. **Air Conditioning Covers** - Chris Gampon reported one air-conditioner cover was ordered. It has not been delivered yet and he has asked the distributor to substitute a cover from an air-conditioner in stock so we can expedite the installation on our end. Chris noted that before covers are ordered in the future, each air-conditioner will have to be assessed to make sure the inner workings are in good operating order.

**Meeting Dates for 2001** – Chris Gampon reported that the AOA confirmed their dates for meetings and those dates were reflected on the handout included with the meeting materials. The meeting schedule was discussed and the following dates confirmed:

DATE	TYPE	TIME
Thursday November 30, 2000	Board Meeting (Banyan Harbor)	9:00 am
Friday February 23, 2001	Board Meeting (Banyan Harbor)	9:00 am
Saturday February 24, 2001	<b>Annual Meeting</b> (Kauai Marriott)	9:00 am
Thursday May 31, 2001	Board Meeting (Banyan Harbor)	9:00 am
*Saturday September 15, 2001 or Thursday, September 13, 2001	Informational Meeting (California) or Board Meeting (Banyan Harbor)	10:00 am or 9:00 am
Thursday November 29, 2001	Board Meeting (Banyan Harbor)	9:00 am

*\*If the cost of holding a California meeting on September 15, 2001 is prohibitive, the meeting will be held on the secondary date of September 13, 2001 at the Banyan Harbor.*

- e. **Other Unfinished Business** – President Solberg asked for any unfinished business to be addressed. Hearing none, he continued with the agenda.

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## 7. NEW BUSINESS

- a. **Inter Company Allocations 2001** – Tore Wistrom reported on the Banyan Harbor Company Relationship report for 2001 dated August 3, 2000. He noted that the changes were minimal when compared to 2000. Bob Garcia noted that the report looked fine.

**MOTION:** *To accept the allocations as outlined in the report distributed.*

**MOVED BY:** Loren Knott, Second, Robert Garcia  
**VOTED:** Unanimous, **PASSED**

- b. **Auditor's Report for 1999** – Rick Ball reported that the report had been distributed to all Board members prior to the meeting. He asked if there were any further questions. None were brought to his attention

**MOTION:** *To accept the Auditors report as distributed.*

**MOVED BY:** Robert Garcia, Second, Ed Madamba  
**VOTED:** Unanimous, **PASSED**

- c. **Developer Agreement** – Ben Bregman addressed the draft of a payment letter written by Chris Gampon on behalf of the Board. Ben discussed projected maintenance fee income for units he annexes over a 12 month period. Ben asked that the current and any future annexed units be granted a 6-month moratorium on Timeshare maintenance fees (from the day he gets the first sale on any unit). Loren Knott had no problem with the 6 months vs. 4 months, which was outlined in the draft letter. Other considerations outlined will remain as drafted.

**MOTION:** *To extend the considerations proposed in the draft letter dated 09/13/2000 to Ben with a change of 4 months to 6 months.*

**Discussion:** *Jim Solberg noted that the issue of voting needs to be addressed. We will also have to note that subsequent annexed units will also receive the same consideration.*

**MOVED BY:** Loren Knott, Second, Robert Garcia  
**VOTE:** Unanimous, **PASSED**

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## ADOPTED MEETING MINUTES

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- d. **Cable TV - In Room Channel** - Chris reported that a local company has proposed installing an in-room channel onto the existing cable system. If installed the channel would run with advertising for activities in our area. The Banyan Harbor will also have an opportunity to highlight on-site specials within the broadcast. Chris noted that this is still in the preliminary stages but he brought this to both Boards' attention as it will affect all televisions on the property. When additional information on this technology is available future reports will be made.
- e. **Other New Business** - Other business discussed as noted below.
  - a. Chris reported that the Fifth Amendment Document was ready for signature. Before it is recorded the President and Secretary will have to sign in front of a notary.

**MOTION:** *To move to Executive Session.*

**MOVED BY:** Loren Knott, Second, Robert Garcia  
**VOTED:** Unanimous, **PASSED**

President Solberg asked the Recorder to include in minutes that during the executive session a recommendation to the management company was made with reference to budgets and employee salaries.

## 8. ADJOURNMENT

Meeting adjourned at 11:35 a.m.