

# BANYAN HARBOR

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ADOPTED MEETING MINUTES  
REVISION DATE: September 13, 2001  
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**BANYAN HARBOR TIMESHARE ASSOCIATION  
BOARD MEETING  
THURSDAY, MAY 31, 2001 - 9:00am  
BANYAN HARBOR, Unit A-1**

**1. Roll Call**

The meeting was called to order at 9:10am

**Board Members**

Jim Solberg, President  
Loren Knott, Vice President  
Bob Garcia, Treasurer  
Sharon Baker, Secretary  
Ed Madamba, Director

**Outrigger Lodging Services**

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

**2. Proof of Notice**

Chris reported that notice was posted on May 05, 2001.

**3. Approval of Meeting Minutes**

- a. **Board Meeting, February 23, 2001** – Several corrections were noted.

Hearing no further corrections or objections, President Solberg accepted the minutes as approved.

- b. **Organizational Meeting, February 24, 2001** – A correction to the spelling of James Solberg's name was noted.

Hearing no further corrections or objections, President Solberg accepted the minutes as corrected.

**4. Management Reports**

- a. **President's Report** – President Solberg noted that, in his opinion, the Resort of International Distinction award has been a double-edged sword. He feels that since we are restricted as to what we can offer, the effort to compensate for those restrictions has come by way of additional services. President Solberg also feels that the property should clearly identify the fact that, because of the age and style of the property, no wheelchair access is available. People can use that information to better plan their travel. He suggested that Chris contact RCI to clarify that point with them. Chris noted that he has found that people who require additional access considerations are, for the most part, savvy enough to call ahead and make that fact known. Chris pointed to the notes on the comment cards where he has crossed out the unit numbers printed and written in the actual unit numbers. This kind of note often indicates that the trade guest has made a request for special accommodation. Chris has not encountered any "problems" thus far

as they relate to access. The Front Desk is very active in fulfilling special requests. President Solberg was pleased to hear that special accommodations are being made.

President Solberg also reported for the record, that due to rising energy costs, there might be a need to increase maintenance fees. He would like this noted now, so timeshare owners know that the Board has considered this in advance of any increase taking effect.

- b. **Manager's Report** – Chris reported that the staff continues to work well together. He noted that maintenance has made some exterior improvements that helped to tidy up the visual impact of the property from Wilcox Road. Lattice was installed to building “L” and the hibiscus hedge that was fronting the building was replaced with plants that will not grow too large and will eventually provide a softer, more natural, barrier to the road for the bottom of that building.

Chris added that RCI, Trading Places Maui, and Trading Places International have been working well together. Ben Bregman reported to Chris prior to the meeting that he has utilized the services of all three entities in his regular operation. Chris believes that the situation regarding Trading Places Maui has worked out well.

Loren Knott added that at Maui Hill, the issue of the Gold Crown Award has necessitated an increase in staff to meet the requirements set. If the Banyan Harbor would want to keep this award, he feels that this step will have to be considered. Loren feels that with normal staffing, it is not possible to keep up with the requirements of the award. Loren also added that insurance at Maui Hill is scheduled to increase next year. Loren feels that rising premiums may also effect the Banyan Harbor.

Solberg reported that he would like to include a letter in the July newsletter to inform the owners of the possibility of fee increases.

Bob Garcia asked if arriving guests could be reminded that energy costs are increasing and their cooperation in conserving energy would be appreciated.

## 5. Financial Reports

- a. **April 2001 Financial** – Rick Ball reported that as of the end of April 2001, revenues were favorable to budget by \$1,179. Expenses were also favorable to budget. The net result is a favorable \$1,794 versus a budgeted loss for this period. Expenses year-to-date show utilities over budget by \$3,236. Payroll & related expenses are also in excess of budget forecasts. Operating expenses are favorable to budget due mainly to savings on insurance premiums.

Rick also reported on the most current update of the Timeshare Reserve Study. Sharon Baker, noted that unit 121, the prototype renovation unit, does not have cabinets in the upstairs bathroom. The same unit does not have a telephone in the upstairs bedroom. Chris reported that he would instruct Drake to work on installing the missing items. Loren Knott would like to accelerate the replacement of washers and dryers wherever possible.

- b. **Collection** – Chris Gampon reported that he revised the analysis that is normally provided to the Board by separating the accounts listed by the assignment of that affected interval. The report now shows Neeley & Anderson, Timeshare Liquidators, Kraus-Anderson, and other accounts separately. Chris reported that Since the February meeting, both Anne Anderson and Ben Bregman were frozen in their tracks. Both companies had to work on meeting new document filing requirements set by the Hawaii Land Court. The procedures to meet those requirements have finally been worked out. Both companies are again, moving on accounts assigned to them.

Ann Anderson now has 4 intervals that will be going to auction by August of 2001. Commissioners were appointed to 2 other accounts, and other accounts are set for private sale. There are also 3 intervals that can be sold by Ben Bregman.

Chris reported on the remainder of the report and noted the staff has started working closer with Trans Pacific Finance to keep accounts that have mortgages with them up to date.

Chris also reported that he has reduced the trigger amount used to send notification of delinquencies so that intervals that are only one-quarter delinquent will receive a first demand notice. This has helped to increase the number of settlements.

- c. **Sale of Timeshare Weeks** – Chris reported that he met with Ben Bregman for an update on the status of his sales. Ben reported that the sale of timeshare had been stalled, as mentioned previously. He is now back on track. Ben reported to Chris that he has sold almost half of the intervals for unit #57. Ben will be putting unit 57 into the Timeshare program as soon as the renovation is complete. Chris believes that unit #58 will be in the Timeshare program before the end of the year. Tore Wistrom added that Ben has worked with him in identifying units that are candidates for purchase and conversion to timeshare. Because of the success the property has had, the prices of the units are rising to a point where Ben is finding fewer profitable opportunities.

## 6. Unfinished Business

- a. **RCI Comment Cards** – Chris reported that he has stepped up efforts toward guest satisfaction. The staff now contacts all timeshare guests, early during their stay, to greet them and find out if everything is going well with their stay. Chris noted that he has noticed comments for individual units that are low from one guest, then high from another. Chris hopes that by keeping in contact with the guests, comments will be more consistent. Aside from the effort from the in-house staff, Ben Bregman also asked all of his tours, and people he meets with for input. Even with these efforts Chris has found that there are still people that will wait until they are departing before making comments.
- b. **Microwaves** – President Solberg thanked Chris for his report on the microwave hoods. The report clearly shows that combining microwaves and hoods in the timeshare units is not economically feasible.

- c. **Trading Places (update)** – Chris recapped the situation between Trading Place Maui and Trading Places International. The end result is that Trading Places Maui has withdrawn their request to have a staff member at the desk, and Trading Place International is now providing that service.

Chris added that both Trading Places organizations and RCI have been provided equal opportunity to advertise in our newsletter. All three entities have taken advantage of this.

- d. **TCT Numbers** – President Solberg reported that both Chris and Tore have been working to identify the full extent of the problem, and work with a title company to come up with a solution. Thus far, the response from the title company has been unsatisfactory. President Solberg suggests contacting the escrow company recognizing that there is more than one title company involved. The letter should also indicate that the Board would be sending a letter to the owners affected advising them of the problems involved with transferring title and if available, possible solutions to that problem (including title insurance claims).

Tore Wistrom added that there will be expenses associated with clearing these title issues. Rick Ball noted that response to previous communications with timeshare owners has been low. Rick feels that this issue may see the same result. Rick does agree that the owners affected will have to be notified.

Loren Knott added that this issue should be dealt with as soon as possible. He indicated that Tore might be able to work with these accounts. Loren feels that as more time passes, the greater the likelihood, that Kraus-Anderson will no longer cooperate as they have been, in order to facilitate amending the recorded documents. Chris added that aside from Kraus-Anderson's participation, there is a real possibility that our relationship with the Hawaii Land Court may be complicated and halt the process, if the current Registrar leaves her position. The recent stop in progress was due in large part to the departure of the Assistant Registrar that we had been working with.

<p><b>MOTION:</b>      <i>To authorize Tore Wistrom to proceed with the solution he outlined to resolve TCT issues, once James Solberg has approved the documents to be sent out. Tore will work as an independent contractor for this project.</i></p>
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**MOVED BY:**    Loren Knott, Second: Bob Garcia

**DISCUSSION:** President Solberg recapped the issue of the motion. This would allow Tore to come up with a solution and fee schedule that would be approved by James Solberg, that information along with a letter from the Board would be sent to all of the owners of affected intervals. The letter would also indicate that the Board has done all it can and the owner will have to respond in order to settle the issue. Loren feels the letter should indicate that even though the State of Hawaii caused the problem, this is the practical solution.

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## ROLL CALL VOTE:

For: Sharon Baker, Ed Madamba, Loren Knott, Bob Garcia, and James Solberg  
Against: None

## MOTION PASSES

Loren Knott volunteered to work with President Solberg and Tore Wistrom.

e. **Other Unfinished Business** – Other business discussed as follows:

- ii. **Security uniforms** – Bob Garcia asked about the shirt color for Security. He thought the shirts were going to be changed to a lighter color. Chris advised Bob that he had forgotten to order the new shirts and would have that done right away.

## 7. New Business

- a. **OLS Management Contract** – President Solberg reviewed the status of the OLS management contract. The term of the contract ends on May 31, 2001. Rick Ball has submitted a revised agreement. Rick Ball outlined the terms of 2 years, with 1 year automatic renewals thereafter. Accounting fees are proposed to increase by \$100 dollars per month. President Solberg reiterated that the net impact of the proposal was an increase of \$1,200 per year for accounting fees. President Solberg and the other Board members felt this was fair considering the increase in size of the timeshare program.

**MOTION:** *To approve the proposed contract revisions*

**MOVED BY:** Sharon Baker, Second: Ed Madamba

## ROLL CALL VOTE:

For: Sharon Baker, Ed Madamba, Loren Knott, Bob Garcia, and James Solberg  
Against: None

## MOTION PASSES

- b. **RCI Points Program** – Loren Knott asked to review the purchase options to join the program. A letter was submitted to the Board indicating dissatisfaction with the process. In Ben Bregman's absence, Chris Gampon reported that he was aware that Ben had contracted with a California agent for a short time to sell the Points memberships. Prior to that Ben made an offer through the newsletter offering a discounted membership to the Banyan Harbor Timeshare Owners. A separate offer was made after the California agreement ended. Each offer had a different discount level. Chris did look into the individual complaint and found that the owner did have opportunities to purchase membership into the program at discounted rates but failed to recognize them. When the owner joined, he did so at a much higher price than the original offer. After discovering he missed a "better" opportunity, the owner tried to obtain a rebate.

The rebate was not granted. Chris equated this circumstance to a retail purchase that once complete; you find out that had you looked in the newspaper the month before you could have purchased the same item for half the price. Based on his conversation with Ben Bregman, Chris feels that Mr. Bregman also sees the situation the same way. The Board asked that Chris ask Ben to respond to Mr. Snodgras if he has not already done so.

- c. **Employee Bonus (Executive Session)** – President Solberg reported that the Board had approved the proposed bonus program for all staff associates.
- d. **Other New Business** – Other new business was discussed as follows
  - i. **Meeting Dates 2002** – A schedule of proposed meetings was distributed to all Board Members for review. The following schedule was adopted

TIMESHARE		
DAY / DATE	TYPE	TIME
Friday February. 22, 2002	Board	9:00am
Saturday February. 23, 2002	Annual	9:00am
Wednesday May 22, 2002	Board	9:00am
Thursday September. 12, 2002	Board	9:00am
Thursday November. 21, 2002	Board	9:00am

- ii. **Coupon Books** – President Solberg reported that he had a call from an owner who was unhappy about the coupon system. He had advised the owner of alternate payment methods but none of them satisfied his requirements. President Solberg indicated that he would address the issue at this meeting and respond to the owner after the discussion. Chris reported that with the upgraded capabilities of the information systems, he has already discussed inserting a statement with the mid-year newsletter. Chris indicated that if the newsletter is kept to one page, the additional page for the statement should not result in higher postage for the mailing. President Solberg asked if it was feasible to include a statement with every newsletter and increase the newsletters to 4 times per year. Chris reported that mailing a statement required sending a mail-piece for each interval, which will be 1,750 pieces. Sending only news required only 1,320 pieces since there are owners with multiple ownerships. President Solberg asked for a summary of those costs for review at the next meeting.

## 8. **Adjournment**

The meeting was adjourned at 11:20am