

BANYAN HARBOR

**BANYAN HARBOR TIMESHARE ASSOCIATION
ANNUAL HOMEOWNER'S MEETING
Saturday, February 23, 2002 / 9:00 a.m
Kauai Marriott Resort
3610 Rice Street - Lihue, Hawaii 96766**

1. ROLL CALL

President Solberg called the meeting to order at 9:10am.

Board Members Present

James Solberg, *President*
Ed Madamba, *Director*

Loren Knott, *Vice-President*

Robert Garcia, *Treasurer*

Board Members Absent

Sharon Baker, *Secretary*

Outrigger Lodging Services

Rick Ball, *Vice-President, Outrigger Lodging Services*
Stephanie Nakamatsu, *Accounting, Banyan Harbor*
Heather Akau, *Registrar, Banyan Harbor*

Chris Gampon, *General Manager, Banyan Harbor*
Tore Wistrom, *Principal, Resort Consultant, Inc.*

Attendance by interval owners recorded in Registrars Log.

2. PROOF OF NOTICE AND QUORUM

Chris reported that notice for the Annual meeting was mailed to all timeshare owners on December 7, 2001 and again on January 18, 2002. The following results were reported by the meeting Registrar, Heather Akau.

QUORUM RESULTS	
Intervals represented by proxy	340
Intervals represented in person	12
<i>Total intervals represented</i>	352

3. APPROVAL OF MINUTES OF PRECEDING ANNUAL MEETING

- a. **February 24, 2001** - President Solberg asked for any corrections or additions to the minutes. Hearing none the minutes were approved as distributed.

4. REPORT OF OFFICERS

President's Report – President Solberg reported that later during the meeting a vote will be taken regarding the collection of taxes for prior years. The Board has decided not to litigate the tax matter with the State due to the minimal benefit and large expense in doing so. Management has been able to negotiate with the State and was successful in having the penalties for prior years waived. After reviewing the options the Board concluded that, if approved, the assessment will be prorated based on length of ownership.

Vice-President's Report – Loren Knott reported that he continued to be pleased with the condition of the property. Aside from the tax issue, these are great times for the Timeshare Association. Loren thanked Outrigger Lodging Services for the work they have done to make Banyan Harbor a better place. Loren also thanked Chris for his management of the property, noting that Chris has taken great strides in improving not only the property but the quality of the employees working there.

Treasurer – Bob Garcia reported that the increases in maintenance fees are directly related to the application of taxes to the standard fee amount. It has been a difficult process but with the lead taken by management, all of the

Association's options have been investigated for the best possible outcome. Bob reported that management has done a great job.

5. DIRECTOR REPORTS

Ed Madamba reported that he has been an owner for many years and has been very pleased with the progress Outrigger Lodging Services has been able to make. Outrigger Lodging Services has made significant improvements especially when compared to prior management companies.

6. COMMITTEE REPORTS

No committee reports were presented.

7. MANAGEMENT REPORT

Reserve Study – Rick Ball reported on provisions made for the next 20-years as part of the reserve study. Rick added that the loan for the furniture project is being paid well ahead of schedule.

8. ELECTION OF INSPECTORS OF ELECTION

President Solberg reported Cathy Martin (AOAO Board member) and Linda Garcia (Timeshare Owner) were asked to act as inspectors for the election and any other matter voted on during the annual meeting.

9. ELECTION OF DIRECTORS

The list of candidates was read to the audience. Each candidate in attendance was allowed time to address the audience. Candidates included: Sharon Baker, Stephanie Gonos, Loren Knott, and James Solberg. Chris indicated that there were also two write in candidates per proxy instruction. They are Gordon Beale and Jacqueline Beale.

MOTION:	<i>To nominate the slate of candidates present and written-in.</i>
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MOVED BY: Bob Garcia, Second: Ed Madamba
VOTE: Unanimous, **PASSED**

President Solberg instructed the owners in attendance on voting procedures. Thereafter the meeting was adjourned to allow time for ballots to be completed and submitted for tallying.

Meeting adjourned: 9:35am
Meeting reconvened: 10:45am

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

CANDIDATE	VOTES
Solberg, James	296.00
Baker, Sharon	236.25
Gonos, Stephanie	193.50
Knott, Loren	130.75
Beale, Gordon	1.25
Beale, Jacqueline	1.25

The three highest vote getters were elected to serve two-year terms. They are James Solberg, Sharon Baker, and Stephanie Gonos.

10. UNFINISHED BUSINESS

President Solberg asked that any unfinished business be brought before the Board. Hearing none, the meeting continued to new business.

11. NEW BUSINESS

- a. **Tax assessment – Ballot [A] –** President Solberg recapped comments he made during the Presidents report.

MOTION:	<i>Adopt the assessment to collect for prior year taxes based on a prorated payment of \$25 per interval, per year being assessed.</i>
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MOVED BY: Bob Garcia, Second: Ed Madamba

President Solberg asked if there were any objections to the motion. Hearing none the motion was passed unanimously.

VOTE: Unanimous, **PASSED**

Owner Richard Rentz recommended that the newly elected Board take this issue under consideration and review the Associations By-Laws as they relate to this matter. He also suggested that legal council be asked for an opinion. President Solberg thanked Mr. Rentz for the advice.

- b. **Tax rollover resolution** – President Solberg 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:	<i>That Banyan Harbor Timeshare Association direct that any 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 accounts.</i>
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MOVED BY: Bob Garcia, Second: Ed Madamba
VOTE: Unanimous, **PASSED**

- c. **Audit for 2001** – President Solberg reported that during the Board meeting held on February 22, 2002 the Board approved the bid from Terry Wong, CPA to perform the Association's annual audit.

12. ADJOURNMENT

Prior to adjourning the meeting President Solberg thanked current Vice-president Loren Knott for his many years of service.

President Solberg announced that the next annual homeowner's meeting would be held on February 22, 2003. Hearing no further business the meeting was adjourned at 10:50am.