

**BANYAN HARBOR TIMESHARE ASSOCIATION
BOARD MEETING
Wednesday May 22, 2002
BANYAN HARBOR – Unit A4**

1. Roll Call

President Solberg called the meeting to order at 9:00am

Board members present (in person)

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

Board members present (via telephone)

Stephanie Gonos, Director

Outrigger Lodging Services

Rick Ball, Vice-President, Outrigger Lodging Services
Chris A. Gampon, General Manager, Banyan Harbor
Stephanie Nakamatsu, Accounting, Banyan Harbor
Tore Wistrom, Resort Consultant

2. Proof of Notice

Chris reported that notice was posted on April 26, 2002

3. Approval of Meeting Minutes

- a. **Board Meeting, February 22, 2002** – President Solberg asked for corrections to the minutes. Hearing none, the minutes were approved as distributed.
- b. **Organizational Meeting, February 23, 2002** - President Solberg asked for corrections to the minutes. Hearing none, the minutes were approved as distributed.

4. Management Reports

President's Report – Jim Solberg thanked the Garcia's for hosting a wonderful get together. Jim further commented that the feeling around the property is very good. He is pleased with the improved RCI comments. Ben Bregman's efforts in sales and collections were commended. Jim was also pleased the way the Association's finances were managed.

Jim reported that he asked to have newsletters and hurricane preparedness added to the agenda for discussion today. Jim would like to discuss the frequency of the letters as well as include an article in each newsletter.

Manager's Report – Chris reported that the staff continues to work well together. A printout of photographs taken of projects worked on by Maintenance was distributed. The photos illustrated work completed to improve drainage at the back of the property as well as parking lot curbs that were refurbished. Chris noted that the AOA, during their meeting held on May 21, 2002, approved the installation of an irrigation well.

Stephanie Gonos asked if there was a regular cycle for painting the building exteriors. Chris reported that, at this point, the AOA's reserve study address the need every 10-years. Harry Baker, AOA Board member, added that the railings and trim are attended to as an on-going project. Chris added that inspections of the pickets on the majority of the buildings will take place toward the end of the summer season.

5. Financial Reports

- a. **March 2002 Financial** – Rick reported that revenues are ahead of budget. Expenses are also favorable to budget, due largely to payroll savings. Other Expenses continue to run over budget due to the increase in insurance premiums and legal foreclosure expenses that were not anticipated during the budget process. Rick was pleased to report that net earnings are positive year-to-date.
- b. **Collection** – Chris reviewed the reports generated by the Banyan Harbor administration and by Neeley and Anderson. Chris noted that all cases are progressing satisfactorily. There is still a TCT obstacle for many of the intervals. Chris continues to work closely with Anne Anderson to keep the cases in her control moving forward. Kearn also works to provide prompt information on these cases. Kearn also works closely with Timeshare Liquidators to expedite those collections.

Sale of T.S. Weeks – Chris reported that because this is such a slow season, Ben Bregman has reduced the number of tours performed each week. In preparation for the meeting, Ben reported to Chris that, since September 11, 2001, the pace of sales has remained slow. Ben has seen some increase in buying but there is still a long way to go to get back to prior year results.
- c. **Reserve Study** – Rick reported that study was updated to reflect current expenditures. Chris reported that his recent conversations with the supplier of commercial housekeeping equipment indicate that the purchase of both a washer and dryer would produce the best benefit for the Association's finances. Chris' investigation indicated that with the purchase of a 50lb washer and 75lb dryer, it will be possible to almost eliminate our dependency on Up-To-Date Cleaners. Laundry expenses in 2001 were just over \$23,000. Chris reported that depending on the necessity to have a soft-mount washer, the purchase may be anywhere from \$10,000 - \$16,000. Jim Solberg indicated that within reason, he is in favor of purchasing both machines. Bob Garcia indicated that the overall benefit of in-house laundry would far out-weigh the cost of installation. Chris will obtain firm pricing and report back to the Board.

6. Unfinished Business

- a. **RCI Comment Cards** – Chris reported that the comment card scores remain strong. We continue to do everything we can to accommodate requests and react to the concerns of guests.
- b. **TCT Numbers** – Tore reported that the petition that was submitted to Land Court was rejected. Tore will continue to work with Title Guarantee to revise and resubmit the proposal. Chris reported that the Board is limited as to what it can spend on matters that are, in effect, private title issues. This said, Chris added that the Timeshare Association has made every effort to help in finding a solution so collections/foreclosures can proceed to completion.
- c. **Improve Initially Renovated Units** – Chris reported that the cabinet in unit 121's bathroom was being installed that day. Because of high costs and limited available materials, Chris obtained some of the items in Honolulu during a recent trip. Also during that trip, Chris looked at possible styles and fabric for roman shades in the first renovated units. After doing so, he felt the best way to proceed was to work with the designers to find a good match for what we need.
- d. **General Excise Tax** – Chris reported that the tax is paid off. There is currently \$6,400 in the account. As directed by the Board, any funds collected in surplus of the tax will be applied toward the principle of the renovation loan.
- e. **Energy Savers** – Chris reported that because of drastic price changes from our original installation, the project was put on hold for a short period. Chris and Drake, have found a suitable replacement timer and are currently await delivery. Chris noted that, because of the scope of the installation, once material is in stock, installation will be done in stages.
- f. **Declaration/ 5% restriction** – Jim Solberg reported that this item was asked about by Loren Knott. Jim feels that the item has received sufficient discussion during prior meetings and if there are no objection the item will be closed.
- g. **Meeting Dates for 2003** – Chris reported that the proposed meeting dates were included in the Board members meeting material. Rick noted that there was one change in the printout. The November meeting for AOA is scheduled for November 19, not November 20. The dates proposed for timeshare are as follows:

DATE	TYPE	TIME
Saturday Feb. 22, 2003 (confirmed)	Annual	9:00am
Wednesday May 21, 2003	Board	9:00am
Thursday Sep. 11, 2003	Board	9:00am
Wednesday Nov. 19, 2003	Board	9:00am

MOTION: *To accept the dates as proposed.*

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

- h. **Other Unfinished Business** – President Solberg asked if there was any other unfinished business to be addressed. Hearing none, he proceeded with new business.

7. New Business

- a. **Washer & Dryer Replacements** – Chris reported that standard procedure is to change both the washer and dryer when both units are original models.
- b. **Newsletters** – Jim Solberg feels that it is important for the Board to exploit any opportunity to communicate with the interval owners. He would like to coordinate the mailing of newsletter with critical meetings. Jim will submit a letter for each newsletter and asked that the other Board members do so whenever possible. Bonnie Solberg volunteered to report on island events.
- c. **Hurricane Preparedness** – Jim Solberg requested a review of the procedures in place in case of a hurricane. Chris reported that in cases of emergency, including natural disasters, all unit occupants are notified of the impending danger. The advice they are given when notified will vary based on the current situation. If, in the case of natural disasters, there is need to evacuate, the Hawaii Civil Defense will notify us where to direct our residents and guests. With current technology, there is normally sufficient notice so that everyone on property can be given advice well in advance of a disaster. Chris has personally been involved in evacuating properties for two hurricanes, and a forecasted tsunami (tidal wave).

Jim was pleased to hear that we do have procedures that can be followed.

- d. **Other New Business** – Other new business was heard has follows
 - i. **Bonus Program** – Bob Garcia recommended that the employees receive the same level of bonuses as they did the prior year with full-time employees getting \$300, part-time receiving \$150, and casual workers receiving \$75. Bob feel that based on the performance of the property, the recognition is warranted.

MOTION:	<i>To grant bonuses as outlined and to recommend that AOA match the bonus amount.</i>
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MOVED BY: Bob Garcia, Second: Sharon Baker

VOTE: Unanimous, **PASSED**

- ii. **Board Recognition** – Bob Garcia recommended that an appreciation gift be given to Loren Knott as a thank you for his contribution to the Timeshare Association as a member of the Board of Directors. Rick Ball suggested presenting a nicely framed photograph of the property. Chris reported that he has very good aerial shots that could be used. Rick noted that AOA may want to do the same (for Loren). Jim Solberg suggested that if a common gift is sent, each Board should include a separate note thanking Loren for his efforts. Chris reported that he would have the photograph prepared and ask the Board to submit their notes to be included with the presentation.

- iii. **ADA : Executive Session –** The Board adjourned to executive session to discuss matters related to ADA.

Executive session report: The Board reported that it has instructed management to investigate the feasibility making units more accessible.

8. Adjournment

Hearing no further business, President Solberg adjourned the meeting at 11:20am