

BANYAN HARBOR

ADOPTED MEETING MINUTES
REVISION DATE: 21 February 2003
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**BANYAN HARBOR TIMESHARE ASSOCIATION
BOARD MEETING
Wednesday November 20, 2002
BANYAN HARBOR – Unit A1**

1. ROLL CALL

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

Board members present

Jim Solberg, President
Ed Madamba, Secretary

Sharon Baker, Vice President
Stephanie Gonos, Director

Board members absent

Bob Garcia, Treasurer

Others in attendance

P. Madamba (TS Owner), Gus Enderlin (AOAO BOD Treasurer), Don Monson (TS Owner), Sachiko Sanchez (TS Owner), B. Solberg (TS Owner), H. Baker (TS Owner), S. Akita (AOAO BOD President).

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 November 06, 2002

3. APPROVAL OF MINUTES

- a. **Board Meeting, September 12 2002** – Jim asked for any corrections. Hearing none the minutes were approved as distributed.

4. MANAGEMENT REPORTS

- a. **President's Report** - Jim commended Chris and his staff for the fine work done to clean the area next to building "J" where the banyan tree was removed. He added that there seems to be an economic resurgence on the island. During a meeting with Chris he learned that there are several large construction projects around the island helping the island economy. Jim welcomed Kristie, the newest addition to the Front Office, on behalf of the rest of the Board.
- b. **Manager's Report** – Chris reported that the staff continues to work well together. The faces at the Front Office have changed. Heather, who recently left on maternity, decided to become a stay home mom. Kristie will be taking her place. Heather will remain on our staff working casual shifts.

There has been progress made in several areas. The drilling of the irrigation well is complete; the washer and dryer that was delayed by the west-coast dock strike have finally arrived and will be installed soon; and a small wall was erected next to the pool wheelchair ramp; the grass at the pool is coming in nicely; and there is a newly designed landing at the lobby entrance that eliminates the initial step down.

5. FINANCIAL REPORTS

- a. **September 2002 Financial** – Rick reported that because of the addition of timeshare intervals, revenues are favorable to budget by \$4,900. Net earnings are favorable to budget showing a positive balance as opposed to a forecasted deficit for the month. Year-to-date results are also favorable to budget forecasts. Rick reported that based on preliminary reports October's results look to be a bit softer than September's. October will see substantial charges for insurance; and large legal fees.
- b. **Collection** – Jim reported that there is a lingering problem with title transfers; there are approximately a half-dozen accounts remaining with Neeley and Anderson and it seems that those accounts are near conclusion.

Chris reviewed reports submitted by Neeley and Anderson as well as those prepared in-house. Chris also noted that many of the accounts being foreclosed on are affected by title transfer issues. This has held up progress for accounts assigned to both Neeley and Anderson and Timeshare Liquidators. Until the title issues are settled, we can expect delays in the collection/foreclosure process.

- c. **Sale of T.S. Weeks** – Chris reported that Ben Bregman's operation continues to be successful. Chris meets regularly with Ben and is aware that due to the title difficulties, Ben has ceased buying intervals from current owners. This has made inventory tight. Chris reported that Ben intends to resume purchasing intervals once the title issue is settled.
- d. **Reserve Study** – Rick reviewed the updates to the report. Chris added that payments of \$5,000 were made on the loan. Chris estimated the remaining loan balance to be approximately \$22,000. Jim Solberg reported that we are in good shape.

6. UNFINISHED BUSINESS

- a. **RCI Comment Cards** – Jim reported that comments are similar to those seen in the past. He added that Chris' comments in the margins are a good indication that issues are being addressed.
- b. **TCT numbers** – Tore reported that he, Chris, and Ed Madamba attended a hearing on the Monday prior to the meeting. The attorneys for Title Guarantee drew up a petition for the judge's consideration. If approved the petition will pave the way for clearing up the title problems related to transfer certificate numbers issued by State Land Court. The judge asked for additional information and a subsequent hearing is scheduled for December 02, 2002. Everyone in attendance, including the Land Court Registrar and Attorney, were in agreement on the issue. Therefore, Tore expects that the judge will grant the petition during the next hearing on December 02, 2003.
- c. **Aloha Committee** – Jim reported that the AOA has established a regular set of gifts/contributions to be distributed to employees for special events such as birthdays, weddings and bereavement. A copy of the AOA's guidelines was distributed to the Board for review. They are:

Birth of a child:	\$50 (\$45 for gift basket / \$5 for a card)
Wedding:	\$55 (\$50 for a gift Certificate to Macy's / \$5 for a card)
Death (spouse/child/emp):	\$150 (\$50 pupu platter/\$100 cash donation)
Death (parent/grand parent):	\$100 (\$50 pupu platter/\$50 cash donation)
Holiday party:	\$700 (Annual donation for F&B & space)

MOTION:	Adopt the same policy as the AOA
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Moved by: Sharon Baker; Second: Ed Madamba
Vote: Unanimous, **PASSED**

- d. **Energy Savers** – Chris reported that installation of the 4-hour air-conditioner timers is complete. Chris has experienced very few complaints. The only complaints thus far have been upon arrival from people who perceive a problem during their stay. After the owners/guest utilizes the timer, there has been no follow up complaints. Rick added that there has been a savings in electrical costs.
- e. **Jacuzzi & Land by Bldg. "B"** – Tore reported that the land appraisal was obtained by the AOA. The appraisal has indicated a purchase price of up to \$300,000. Tore indicated that the AOA will have to obtain 90% approval in order to purchase the land. Obtaining that level of support will be very difficult. The land is not yet for sale but the estate trustee has indicated that he may want to sell or lease the lot.

Chris reported on the Jacuzzi installation. He indicated that the result of the survey mailed to AOA owners was favorable.

The AOA Board will decide later today whether or not to include the matters for voting during the AOA annual meeting. If so, Chris will include the proposals on the Timeshare proxy forms so interval owners can indicate their preferences as required in the timeshare By-Laws.

- f. **Amenities** – Chris reported that we will be getting the first batch of light switch covers. Bob Garcia recommended installing copper key holders. A sample is available in Chris' office. The Board decided to place this issue on the February agenda for Bob Garcia to present personally.
- g. **Other Unfinished Business** – Jim asked for any further unfinished business. Hearing none, he moved forward with new business.

7. NEW BUSINESS

- a. **Vision Statement**- Jim reported that the vision statement has been discussed over the past few meetings. This is a project undertaken by the AOA Board and because of the close working relationship between Boards, the Timeshare Board has been asked for input. Shirley Akita, AOA President, spoke to the goals of the project. Sharon Baker reported to Shirley that the Timeshare's committee would like to meet with the AOA's committee to work on the project. A good time for this meeting will be prior to the February Board meetings.
- b. **Budget 2003** – Jim reviewed the proposed budget. Rick provided an executive summary review. A major goal was to maintain the owner assessments. This was difficult in the face of major increases in property and worker compensation insurance. The addition of intervals to the timeshare program has helped to make this possible.

Mr. Monson, who has more than 30-years experience in insurance, indicated that increases of 35% would not be unusual.

Jim Solberg was pleased with the material presented. He added that he met via telephone with Bob Garcia to review any concerns he may have had. Bob's questions did not require adjustments to the proposed budget.

MOTION:	<i>To approve the budget as submitted.</i>
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Moved By: Sharon Baker; Second: Ed Madamba
Vote: J. Solberg: For, Sharon Baker: For, E. Madamba: For
S. Gonos: For, R. Garcia: Absent

PASSED

- c. **OLS Contract** – Jim reported that the term for the current OLS contract will end in the spring of 2003. Without any action the contract will automatically roll-over. Jim wanted to express the Board's pleasure with Outrigger Lodging Services by approving the automatic roll-over of the current terms.

MOTION:	<i>Approve the automatic renewal of the current management contract.</i>
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Move By: Sharon Baker; Second: Ed Madamba

Discussion: Harry Baker asked what the term will be for the extension. Jim reported that the extension is for a one-year period.

Vote: Unanimous, *PASSED*

- d. **Other New Business** – Jim asked for any other business. The following was discussed:
- i. **Newsletter** – Stephanie Gonos asked that the property newsletter include the phone numbers of the property. Chris reported that in recent newsletters there has been a section with contact information. Chris will redesign the newsletters header or footer to include the main phone number. He will initiate the changes with the 2003 news distributions.

8. ADJOURNMENT

Hearing no further business the meeting was adjourned at 10:30am