

**BANYAN HARBOR TIMESHARE ASSOCIATION
BOARD OF DIRECTORS MEETING
Thursday September 11, 2003
Banyan Harbor – Unit D43**

1. Roll Call

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

Board Members

Jim Solberg, President
Bob Garcia, Treasurer
Stephanie Gonos, Director

Sharon Baker, Vice President
Ed Madamba, Secretary

Other Attendees

Jim Elwood, Timeshare Owner
Harry Baker, AOA Board Member

Ben Bregman, Timeshare Developer

Outrigger Lodging Services

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

2. Proof of Notice

Chris reported that notice was posted on August 10, 2003

3. Approval of Minutes, Board Meeting, May 21, 2003

Jim asked for any corrections to the minutes. Hearing none, the following motion was made.

MOTION:	<i>To accept the minutes as distributed</i>
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MOVED BY: Sharon Baker, Second: Ed Madamba
VOTE: Unanimous
RESULT: ***PASSED***

4. Management Reports

- a. **President's Report** – Jim reported that the property continues to look better than it has for many years. The appearance and hospitality of the property consistently receives high marks. Jim commended the staff for a fine job.
- a. **Manager's Report** – Chris reported that the staff remains a strong team and everyone is working hard to continue to improve the property. Chris added that maintenance has completed a significant amount of work since the May Board meeting. The focus of the past few months was on major common element projects. Among the projects that were completed is work to reinforce rain gutters, the near completion of the work started last year on the lanai railing and pickets, skylights were inspected, siding affected by dry rot was changed, and high building and roof flashing inspected. Chris added that our ability to complete the work in-house has resulted in significant savings.

5. Financial Reports

- a. **July 2003 Financials** – Rick reported that the financial statement for July 2003 is very positive. Overall net earnings are favorable to budget by \$12,000. Much of the savings has come through control of labor expenses. The renovation loan, paid through the reserve account, has been paid-off.
- b. **Collection** – Chris reported that collections are going well. We are close to closing the final accounts with Neeley and Anderson and the in-house work performed by Kearn in conjunction with Timeshare Liquidators is going very well.

Jim noted that Ben (Timeshare Liquidators) and Kearn in the accounting office have worked well together.

- c. **Sale of Timeshare Weeks** – Ben Bregman reported that RCI has communicated their pleasure with Banyan Harbor's amazing turn around in scores and comments. Ben commended the staff for working hard to improve the property. Ben added that his sales have almost doubled this year over last. Intervals are now selling for \$10,000. Ben is continuing to look for units to purchase and convert to timeshare. He currently has 1 unit under contract and will be scheduling renovations as soon as the sale closes. Ben is also buying inventory for resale. Ben also reported that the Vacation Club is doing very well. They have been able to satisfy 50% of the requests within a 6 week period.
- d. **Reserve Study** – Rick reported on projects that are being completed and added that the reserve is properly funded for the projects described within the reserve study.

Sharon noted her concern with the condition of the sofa cushions. Chris reported that seat covers as well as some cushions have been ordered and replaced. He will ask Yolanda to move that project along wherever necessary. Rick added that there is provision for purchasing sofas within the next few years.

6. Unfinished Business

- a. **RCI Comment Cards** – Jim reported that the comments look good. Chris added that scores are in-line with a property of Gold Crown status. Chris noted that RCI is very pleased with what we are doing here.
- b. **Vision Statement** – Sharon reported that no further meetings on the vision statement were held. She added that during the May meetings, the AOA adopted the suggestions provided by the Timeshare Board. Jim reported that the statement included in the May minutes incorporated their Board's suggestions and is satisfactory.

- c. **Other Unfinished Business** – Other business was discussed as follows:
- i. **Amenities** – Chris reported that due to the heavy load of projects undertaken by Maintenance over the past months, installation was put on hold. Key holders have not yet arrived so Maintenance will wait for those before installing the other items.
 - ii. **Coasters** – Sharon indicated that she would like to have coasters placed in the timeshare units. Chris will ask Yolanda to put in an order .
 - iii. **Land Deal** – Jim asked for an update on the proposed purchase of the land fronting building "B". Chris reported that the number of response necessary to obtain a positive vote was never reached. The vote was not taken and the issue was dropped.
 - iv. **Jacuzzi** – Jim ask for an update on the proposed Jacuzzi installation. Chris reported that this issue was dropped for the same reason as the land purchase.

7. New Business

- a. **Audit Report** – Rick reported that the auditor, Terry Wong CPA, completed his review of the financial statements and did not make any suggestions for change.
- b. **Allocations 2004** – Rick reported that personnel allocations remain unchanged from 2003. Also unchanged is the reimbursement for utilities and the 800 number. Other changes were noted including housekeeping costs.

MOTION:	<i>To accept the proposed allocations as distributed.</i>
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MOVED BY: Bob Garcia, Second: Sharon Baker
VOTE: Unanimous,
RESULT: PASSED

- c. **Banking & Fees** – Chris outlined the situation indicating that homeowners are currently allowed to bank future years without making payment on that time. Chris had suggested a change in that policy in the past but has not made changes based on the Board's desire to review the issue. Jim indicated that he believes that some restriction will need to be put in place. Jim suggested a 2-year limit be used. Jim further suggested that an implementation date be established and the information be clearly outlined to the timeshare owners. Sharon suggested that the information be provided and time be allotted for comments during the annual meetings to be held in February. Jim asked that management draft a policy that will permit a homeowner to bank up-to 2 –years beyond the time they have paid.

- d. **Travel Expenses** – Jim reported that he has looked into the possibilities of utilizing the travel certificates that are available through Timeshare Liquidators. His research found that due to limited flights and routes, and the requirements of the certificates it is not convenient for regular use by the Board.
- e. **Other New Business** – Jim asked if there was any other business. Hearing none the meeting was adjourned

8. Adjournment

The meeting was adjourned at 11:05pm