

**BANYAN HARBOR TIMESHARE ASSOCIATION
BOARD MEETING
Friday February 25, 2005 – 9:00am
Banyan Harbor – D42**

1. ROLL CALL

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

Board Members (Present)

Jim Solberg, *President*

Sharon Baker, *Vice-President*

Bob Garcia, *Treasurer*

Ed Madamba, *Secretary*

Stephanie Gonos, *Director*

Outrigger Lodging Services

Rick Ball, *Vice-President, Outrigger Lodging Services*

Chris A. Gampon, *General Manager, Banyan Harbor*

Stephanie Nakamatsu, *Accounting/HR, Banyan Harbor*

Tore Wistrom, *Consultant, Outrigger Lodging Services*

Others in Attendance

Gus Enderlin, *AOAO Director* Linda Garcia, *AOAO Director*

2. PROOF OF NOTICE

Chris reported that notice was posted on January 11, 2005

3. APPROVAL OF MINUTES

- a. **Board Meeting, November 17, 2004** – Jim asked for any corrections to the minutes. Hearing none the minutes were approved as distributed.

4. MANAGEMENT REPORTS

- a. **President's Report** – Jim reported that he is currently in unit B22. He noted that he was pleased that the unit was well maintained and well equipped. The unit is outstanding.
- b. **Manager's Report** – Chris reported that the staff continues to work well together. Over the past few months the office staff has worked hard to put together the maintenance fee booklets, send out meeting notices and proxies, and prepare for the annual meetings to be held on February 26, 2005 at the Kauai Marriott.

Chris added that there will be a lot of activity inside the timeshare units during 2005. Furniture, drapes, carpet, and art are scheduled to be replaced or installed. This will be a substantial undertaking. Although the changes were on schedule (FF&E), they are timely as the RCI comments are starting to reflect the need for the replacements.

5. FINANCIAL REPORTS

- a. **December 2004 Financial** – Rick reviewed the financial indicating that total revenue at year-end was favorable to budget. Other operating expenses were also favorable to budget. At year-end the Timeshare Association financials reflected a favorable net earning of \$35,248. Rick reported that it is management's recommendation that the surplus funds be transferred into the reserve account.

MOTION:	<i>To move the \$35,248 net operating profit from 2004 year-end into the FF&E Reserve fund.</i>
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MOVED BY: Bob Garcia, Second: Sharon Baker
VOTE: Unanimous
RESULT: PASSED

Rick continued his report with a review of the insurance books provided to each Board member. Rick reported that there will be an overall savings on the insurance premium during 2005. Timeshare will receive a proportionate share of the savings and that will be reflected on the monthly financials.

- b. **Collection** – Bob reported that the numbers for collection (volume and dollars) has gone down. This is great news for the Association. Jim indicated that he appreciated the detailed report. It is interesting so see how progress on these accounts is made.
- c. **Sale of Timeshare Weeks** – Chris reported that according to Ben Bregman, sales are doing well. Chris added that Ben was not able to attend the meeting due to his participation with a Bill introduced at the State level that will allow him to purchase inventory from any timeshare property and resell it. There are currently limitations that favor the original developer.
- d. **Reserve Study** – Rick reviewed the 5-year summary. Rick reported that orders have been placed for furniture, art, beds and other items. We are on-schedule for ordering and replacing other items such as drapes, and carpet as well.

Rick reported that the project list included the anticipated rollover of net earnings from 2004.

6. UNFINISHED BUSINESS

- a. **RCI Comment Cards** – Chris reported that overall the comments are still good. Chris added that the renovation projects currently underway are in-line with the concerns expressed within the comments.
- b. **Other Unfinished Business** – Other unfinished business was discussed as follows.
- i. **Maintenance Fee Payments** – Bob reported that he has received requests from owners wanting to pay their maintenance fees via credit card. Chris noted that this was considered in the past but due to the fees involved when processing credit cards, the Board decided it was not a good idea.

No change to the policy was made. The Board will consider payment options prior to the next billing cycle.

7. NEW BUSINESS

- a. **Annual Meeting Agenda** – Rick reviewed the agenda for the annual meeting on Saturday February 26, 2005. Rick reported that Both Bob Garcia and Ed Madamba are up for re-election during the timeshare meeting.

Chris reviewed procedures for the election process and handling ballots.

- b. **2006 Meeting Dates** – Jim asked that the Timeshare’s September 2006 meeting date be changed from September 14, 2006 to September 21, 2006. There were no objections to the adjustment and the date change was adopted.

Rick suggested that the 2006 annual meeting time be changed from 9am to 1pm. Rick noted that this will allow the AOA to have their meeting in the morning. There was no objection to the change. The time change was adopted pending AOA’s acceptance of the schedule.

Meeting dates were confirmed as follows:

TIMESHARE ASSOCIATION				
MEETING DATE	MEETING DAY	CHECK-IN DAY	MEETING TYPE	START TIME
May 19, 2005	Thursday	Mon/Sat	Board	9AM
Sep. 22, 2005	Thursday	Saturday	Board	9AM
Nov. 16, 2005	Wednesday	Thursday	Board	9AM
Feb. 24, 2006	Friday	Tuesday	Board	9AM
Feb. 25, 2006	Saturday	Tuesday	Annual	*1PM
May 18, 2006	Thursday	Sun/Tue	Board	9AM
Sep. 21, 2006	Thursday	Sunday	Board	9AM
Nov. 15, 2006	Wednesday	Friday	Board	9AM

* Pending approval by the AOA Board of Directors.

- c. **Audit Proposal 2004** – A proposal from Terry Wong, CPA to perform the 2004 annual audit for the Timeshare Association was provided to each board member.

MOTION: *To accept the proposal from Terry Wong to perform the 2004 annual audit.*

MOVED BY: Sharon Baker, Second: Ed Madamba
VOTE: Unanimous
RESULT: PASSED

- d. **Executive Session (ADA)** – No report given.

This agenda item discussed last in-order. The meeting was adjourned to executive session at 10:07AM and reconvened at 10:44AM.

- e. **Other New Business** – Other business was discussed as follows.
- i. **AOAO Mailings** - Sharon asked the Timeshare Board be included in the mailing list for items sent to the AOAO's members for consideration. Chris will take care of this request.
 - ii. **Maintenance Truck** – Chris reported that the truck that was being used to pick up material and supplies for projects is no longer available. Chris indicated that there is a need for a vehicle for Both Timeshare and AOAO requirements. Chris reported that he has priced a vehicle and is estimating it's cost at \$15,000. Chris asked that Board authorize the use of funds to go toward purchasing a maintenance vehicle. Chris suggested that Timeshare split the cost of the vehicle with the AOAO.

MOTION:	<i>To authorize the use of funds for the purchase of a maintenance vehicle. Amount not to exceed \$7,500.</i>
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MOVED BY: Stephanie Gonos, Second: Sharon Baker
VOTE: Unanimous
RESULT: PASSED

- iii. **Management Contract** – Rick reported that the management contract will be up for renewal during May of this year. Rick noted that although the contract is set for automatic renewal, if the Board is in favor of the renewal it can officially accept the current terms at this meeting.

MOTION:	<i>To accept the rollover of the management contract for one-year.</i>
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MOVED BY: Bob Garcia, Second: Ed Madamba
VOTE: Unanimous
RESULT: PASSED

8. ADJOURNMENT

Hearing no further business, the meeting was adjourned at 10:45am.