

**BANYAN HARBOR TIMESHARE ASSOCIATION  
BOARD MEETING**

**Wednesday February 17, 2012 – 9:00am**

**Banyan Harbor Unit A4**

**1. Roll Call**

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

**Board Members Present at Banyan Harbor**

Jim Solberg, *President* Sharon Baker, *Vice President*  
Ed Madamba, *Treasurer* Deborah Rice, *Director*

Stephanie Gonos, *Secretary (via conference call)*

**OLS Hotels & Resorts**

Rick Ball, *Vice-President, OLS Hotels & Resorts*  
Lyle Otsuka, *General Manager, Banyan Harbor*  
Dale Verkaaik, *Controller / HR, Banyan Harbor*  
Tore Wistrom, *Consultant, OLS Hotels & Resorts*

**Others in Attendance**

Penny Madamba (I111-G2), Harry Baker (AOAO Board), Bonnie Solberg (Owner, H015-Z1), Meryl Ferrari (AOAO Board), Gus Enderlin (AOAO Board), Linda Garcia (AOAO Board) and Ben Bregman (TS developer) .

**2. Proof of Notice**

Lyle reported that notice was posted on 1/19/2012

**3. Approval of Meeting Minutes**

- a. **Board meeting minutes of November 16, 2011** – Jim asked if there were any changes or corrections to submitted minutes, Stephanie presented changes to item 7A (asked expenses relating to % increase be clarified and to correct word discuss to discussion). Hearing no other changes, the following motion was made:

<b>MOTION:</b>	<b><i>To adopt the minutes as distributed with suggested changes.</i></b>
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**MOVED BY:** Sharon Baker, Second: Deborah Rice  
**VOTE:** Unanimous  
**RESULT:** PASSED

**4. Management Reports**

- a. **Board President's Report** – Jim acknowledged and thanked Sharon for chairing the November Board meeting. He also updated the Board on a few concerns brought to the board regarding change to semi annual maintenance fees, maintenance fee increases and unit condition. He thanked the Board for bringing these matters to management's attention for handling and asked Board members respond to owners with an update and to contact management if they had any concerns. Lyle updated the Board on the change

over to semi annual billing. Jim also thanked the staff for their continued support and overall great job. Also for attaining the Silver Crown RCI status.

- b. **Manager's Report** – Lyle once again acknowledged our great team of Banyan Harbor associates. He also briefly updated the Board that Banyan Harbor lead OLS guest comment scores with a 96% 2011 Year to Date score. We may not be a 5 star resort however we provide 10 star service. Lyle also reviewed the RCI Silver Crown status and also the retainment of the RCI Hospitality award. Lyle then briefly reviewed the distributed summary of projects completed during the 2011 year.
5. **Financial Reports**
- a. **December 2011 Financial** – Rick reviewed the financial results through December 2011. Revenues year-to-date were behind budget by \$4,333 due to late fee income write off (previous years) for uncollected bad debts which also contributed to expenses being unfavorable to budget due to bad debt write off and utility fuel surcharges, resulting in a total net loss year-to-date of \$32,578. Jim also commented, we must clean up our past receivables and we also must continue to do what is needed to insure we maintain our units to be in the best shape possible.
  - b. **Reserve Study** – Rick reviewed the reserve study highlighting 2011 projects. Current and future projects will focus on tub replacements and bathroom exhaust fans replacements. We continue to monitor capital projects as to not over-extend ourselves, but to maintain the furnishings, fixtures and equipment of the units. The 20 year Reserve Study, which is reviewed by the Board quarterly continues to be a very good tool to show funding for anticipated future projects.
  - c. **Collection** – Rick reported and reviewed a recapped summary of outstanding maintenance fees. Year to date 2011 we have written off \$147,000 in bad debts from previous years. Rick also reported we continue to work with owners to keep dues current and are aggressively pursuing foreclosure processing, and to convert foreclosed weeks into dues paying owners. Timeshare Owners Association foreclosed and owned weeks are also being rented through RCI to generate lost maintenance fee revenues for the Timeshare Owners Association.
6. **Unfinished Business**
- a. **RCI Comment Cards** – RCI comments overall continue to receive high marks. Board discussion ensued regarding various items. Overall Banyan Harbor comments are very favorable for our type property and are as good as or better than other RCI properties.
  - b. **Other** – Hearing no other unfinished business President Solberg moved on to new business.
7. **New Business**
- a. **Meeting dates for 2013** – Suggested meeting dates were proposed and Sharon requested February meeting dates not be during Presidents Day week as airfares are so much higher. Lyle informed Board the February Board meeting was the weekend after Presidents Day weekend. After further discussion President Solberg called for a motion.

<b>MOTION:</b> <i>To adopt the proposed 2013 meeting dates as presented.</i>
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**MOVED BY:** Sharon Baker, Second: Ed Madamba  
**VOTE:** Unanimous  
**RESULT:** PASSED

- b. **Update on unit # 5 –** Tore and Ben updated the Board on the progress to convert Timeshare unit #5 to whole ownership and to deed Timeshare owners into other Timeshare Association owned weeks. So far the response has been positive and Ben is projecting the end of April before we will have this conversion either completed or close to. At completion unit #5 will be sold as a whole unit and no longer be a part of the timeshare inventory.
- c. **Annual meeting agenda –** Rick reviewed the annual agenda.
- d. **Other new business –** Rick updated the Board on OLS Hotels & Resorts will be Outrigger Lodgings new name going forward. There will be no effect to employee benefits. Hearing no further new business, meeting moved to Executive session to discuss collections and personnel matters.
- e. **Executive Session -**

**MOTION:** *To move into Executive Session (10:15am)*

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

Board reconvened Into Regular Session at 10:22 am.

- 8. **Adjournment-** Hearing no further new business the following motion to adjourn was made:

**MOTION:** *To Adjourn meeting at 10:23 am*

**MOVED BY:** Ed Madamba, Second, Deborah Rice,  
**VOTE:** Unanimous.  
**RESULT:** PASSED