

BANYAN HARBOR TIMESHARE ASSOCIATION

ADOPTED MEETING MINUTES

DATE 21 February 2009

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**BANYAN HARBOR TIMESHARE ASSOCIATION
ANNUAL HOMEOWNER'S MEETING
Saturday February 21, 2009
KAUAI MARRIOTT**

1. CALL TO ORDER AND ROLL CALL

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

Board Members Present

James Solberg, President
Robert Garcia, Treasurer

Sharon Baker Vice-President
Stephanie Gonos, Director

Absent

Ed Madamba, Secretary

Outrigger Lodging Services

Rick Ball, Vice-President, Outrigger Lodging Services
Lyle M. Otsuka, General Manager, Banyan Harbor
Stephanie Nakamatsu, Accounting, Banyan Harbor
Tore Wistrom, Consultant, Outrigger Lodging Services
Kearn Sukisaki, Registrar, Banyan Harbor
Tamara Hepa, Assistant Registrar, Banyan Harbor

Owners in attendance are recorded in the Official Registrars Log

2. PROOF OF NOTICE & QUORUM

Lyle reported that notice of the meeting was mailed to each interval owner in December 2008 and again in January 2009 and posted on property February 10, 2009.

Quorum Results

| | |
|------------------------------------|------------|
| Intervals represented by proxy | 574 |
| Intervals represented in person | 2 |
| Total intervals represented | 576 |

Representation of 300 intervals is required for quorum (15%). We do have a quorum.

3. APPROVAL OF MINUTES

- a. **Annual Meeting February 23, 2008** – Jim asked for any corrections to the minutes. Hearing none, the minutes were approved as presented.

MOTION: *To accept the minutes as distributed*

MOVED BY: Stephanie Gonos, Second: Bob Garcia
VOTE: Unanimous
RESULT: **PASSED**

4. MANAGEMENT REPORTS

- a. **President's Report** – Jim expressed his thanks and feels we are truly blessed with a sound organization especially during these troubling economic times. Jim also thanked the Banyan Harbor Staff, management and Outrigger Lodging Services for their continued commitment and focus at Banyan Harbor.

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- b. **Treasurer's Report** – Bob commented we have an excellent management team and property management company who do a great job managing Banyan Harbor. Also the synergy the property has in its relationship with Outrigger Lodging Services is so appreciated and continues to save the owners associations a tremendous amount each year. Rick Ball VP of Outrigger Lodging Services then gave the year end 2008 financial report. Revenues slightly behind budget due to less collected late fees and interval transfer fees. Payroll unfavorable to budget, primarily due to employee health insurance and workers compensation overages. Electricity was a significant variance to budget (\$30,399) due to high surcharges related to pre-purchased high priced oil. Rick also reported Outrigger Lodging negotiated a reduced 2009 insurance premium.
- a. **Manager's Report** – Lyle reported he recently completed his first year managing Banyan Harbor and thanked the board for their support. Staff has been doing a fantastic job and comment cards have been positive. Banyan Harbor finished 2008 year ranked #3 overall out of 9 Outrigger Lodging properties (several are 4 star properties) with a 91.2% of guests saying they would return to Banyan Harbor. Lyle again acknowledged the great team of Banyan Harbor associates. Summary of major accomplishments: Year to date: Implemented new silk plant dining center pieces, renovated and improved the laundry facility efficiency, implemented kitchen tile grout clean/seal project, recarpeted 18 of 40 Timeshare units, Installed 39 - 42" flat screen TV's with new DVD stands, posted kitchen inventory in kitchen cabinets, replaced 13 water heaters w/drip pans (replacing shut off valve and converting all piping to copper), purchased and stored master bedroom 6 drawer dressers to facilitate new master bedroom 32" flat screen TV installation, installed 2 refurbished Dell computers at front desk and accounting with upgrade to Microsoft XP, installed anti virus software on computer server and improved server network function ability (preparing for updated property management software), installed floor molding in 39 timeshare units, implemented new property website www.vacation-kauai.com with owner page for updated minutes, newsletters, bulletins, budgets and Hawaii State chapter 514A & B, installed 18" ceramic tile in kitchen and entryway of unit #47, Future projects: Install curved shower rods, implement new property management system (current system designer no longer supports current DOS based system), complete timeshare water heater project, begin installation of master bedroom 32" HD Flat screen televisions and dressers, begin interior unit door replacement project 4th qtr. 2009.
- c. **Budget 2008** – Rick reviewed the approved 2009 budget summary (which was approved by the board of directors at their November 19, 2008 Board meeting). 2009 Budget is included in owner handouts at the door and was also mailed to owners with the January 2009 proxy mailing.

5. ELECTION

- a. **Nominations** – Jim reported that two Board positions are available. Jim read the names of each of the candidates who submitted their names for the available Board positions. They included Robert Garcia, Edward Madamba and Steven Heironimus. Jim then asked (3 times) if there were any nominations from the floor. Hearing none the following motion was made.

| | |
|----------------|------------------------------------------------------------------|
| MOTION: | To accept the slate of nominees and close the nominations |
|----------------|------------------------------------------------------------------|

MOVED BY: Sharon Baker, Second: Stephanie Gonos
VOTE: Unanimous
RESULT: PASSED

- b. **Election of Inspectors** – Jim reported Harry Baker and Ben Bregman volunteered to inspect and count ballots
- c. **Introduction of Candidates** - Each candidate present introduced themselves and expressed their gratitude for the opportunity to serve the Association.
- d. **Election and Election results** -

The meeting was adjourned to allow time to cast and count ballots.

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Adjourned: 9:10am
Reconvened: 10:24am

ELECTION RESULTS

| <u>NAME</u> | <u>VOTES</u> |
|--------------------|--------------|
| Garcia, Robert | 411.3 |
| Madamba, Ed | 368.3 |
| Heironimus, Steven | 53.3 |

Robert Garcia and Edward Madamba were re-elected. Each member will serve a 2-year term.

6. OLD BUSINESS

President Solberg asked the members if there was any old business that required discussion. Hearing none, he moved to the next agenda item.

7. NEW BUSINESS

- a. **Audit 2007** – Jim reported that the auditor's report was reviewed and unanimously accepted by the Board at their November 19, 2008 meeting. The auditor gave the Association a "clean bill of health" and offered no recommendations or corrections to the accounting practices currently in use. The 2008 proposal to audit the Associations books was approved during the Board of Director's meeting held on February 20, 2009.
- b. **Roll Over Resolution for 2009** – The following motion was made to ensure that the Association non-profit status was protected, and that tax requirements were properly addressed.

| | |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MOTION: | <i>I hereby move that the Banyan Harbor Time Share Owner's Association direct the amount by which the member's assessments in fiscal year 2009 exceed the total expenses of the Association for the purpose of managing, operating, maintaining and replacement of the Association's property be applied to the fiscal year 2010 operating and/or reserve account.</i> |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

MOVED BY: Bob Garcia, Second: Harry Baker
VOTE: Unanimous
RESULT: **PASSED**

- c. **Other New Business** – There was no new business.

8. NEXT ANNUAL MEETING

It was announced that the next Annual Homeowner's Meeting will be held on February 20, 2010 at 9:00am, meeting place to be determined.

9. ADJOURNMENT

| | |
|----------------|---------------------------|
| MOTION: | <i>To adjourn meeting</i> |
|----------------|---------------------------|

MOVED BY: Stephanie Gonos, Second: Sharon Baker
VOTE: Unanimous
RESULT: **PASSED**

The meeting was adjourned at 10:27am