

BANYAN HARBOR TIMESHARE ASSOCIATION

BOARD MEETING

Thursday May 10, 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*

Ed Madamba, *Treasurer*

Deborah Rice, *Director*

Sharon Baker, *Vice President* and 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 (1111-G2), Meryl Ferrari (AOAO Board), Gus Enderlin (AOAO Board), Linda Garcia (AOAO Board), Liz Nikolic (AOAO Board), Jill Briley (AOAO Board) and Ben Bregman (TS developer) .

2. Proof of Notice

Lyle reported that notice was posted on 4/10/2012

3. Approval of Meeting Minutes

- a. **Board meeting minutes of February 17, 2012** – Jim asked if there were any changes or corrections to submitted minutes and made change to 7 a. (insert word “proposed”), as well as correcting to new name of OLS Hotels & Resorts. Hearing no other changes, the following motion was made:

MOTION:	<i>To adopt the minutes as corrected.</i>
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MOVED BY: Ed Madamba, Second: Deborah Rice
VOTE: Unanimous
RESULT: PASSED

- b. **Organizational meeting minutes of February 18, 2012** – Jim asked if there were any changes or corrections, and the new name of OLS Hotels & Resorts was corrected. The following motion was made:

MOTION:	<i>To adopt the minutes as corrected.</i>
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MOVED BY: Deborah Rice, Second: Sharon Baker
VOTE: Unanimous
RESULT: PASSED

4. Management Reports

- a. **Board President's Report** – Jim acknowledged the great job our staff continues to do and highlighted our retention of the RCI Silver Crown status. Jim also asked that despite the great guest comment accolades we continue to receive, we continue to focus on improving and maintaining our units to the best that we can within our budgets and acknowledged no easy feat in these tough economic times.
- b. **Manager's Report** – Lyle once again acknowledged our great team of Banyan Harbor associates. He also updated the Board that Banyan Harbor is currently in a tight race for 4th place in OLS guest comment Year to Date scores, with a 96% satisfaction rating. Lyle then briefly reviewed the distributed summary of projects completed 2012 to date.

5. Financial Reports

- a. **March 2012 Financial** – Rick reviewed the financial results through March 2012. Revenues year-to-date were slight behind budget by \$2,051 due to late fee income write off (year to date) for uncollected bad debts. Payroll and other operating expenses were tightly controlled and favorable to budget, year to date. Through March 31, 2012, Net Earnings are \$190 favorable to budget. Rick reiterated that our 2012 budget is a really tight budget and with the finalization of the deed backs and foreclosures of prior years, we anticipate more write offs of uncollectibles.
- b. **Reserve Study** – Rick reviewed the reserve study highlighting 2012 projects. We are being cautious with projects as we need to offset legal & foreclosure costs. Current and future projects will focus on tub replacements and tile floors replacements. We will 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 we have written off \$96,000 in prior year's uncollectable maintenance fees. We are anticipating another \$64,500 will be written off in the next quarter. 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. Foreclosed and weeks taken back by Banyan Harbor Timeshare Association are also being rented through RCI to supplement maintenance fees for the Timeshare Owners Association.

6. Unfinished Business

- a. **RCI Comment Cards** – RCI comments overall continue to receive high marks. Overall our Banyan Harbor comments continue to 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. **Travel Expenses** – Board discussion ensued regarding raising the rent a car allotment to include car taxes. As our 2012 budgets are very tight, discussion tabled to later in the year and review of 2013 budgets.
- 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 B.H. Timeshare owners into other Timeshare Association owned weeks. The offer has gone very well and only 1 owner needs to return signed paperwork at this point. A notary will be visiting the owner to procure the necessary signature. It looks like the June conversion is very possible. At completion unit #5 will be sold as a whole unit and no longer be a part of the timeshare inventory.
- c. **Foreclosure processing fee** – Last fall an agreement with Timeshare Liquidators to handle Banyan Harbor Timeshare Association foreclosures at \$500.00 each was approved. With the Land Court issues behind us, Ben Bregman (Timeshare Liquidators) has agreed to reduce the original fee of \$500 to \$250 per foreclosure.

MOTION:	<i>To approve a revised agreement with Timeshare Liquidators to reduce the foreclosure fee from \$500 to \$250 per foreclosure.</i>
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MOVED BY: Ed Madamba, Second: Deborah Rice
VOTE: Unanimous
RESULT: PASSED

- d. **Other new business** –Management reviewed the items addressed in a letter from an interval owner in Unit 59 to Board Member Stephanie Gonos, and Management will respond to the owner per the request of the Board. Hearing no further new business, meeting moved to Executive session to discuss collections and personnel matters.
- e. **Executive Session -**

MOTION:	<i>To move into Executive Session for personnel matters (9:45am)</i>
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MOVED BY: Ed Madamba, Second: Deborah Rice
VOTE: Unanimous
RESULT: PASSED

Board reconvened Into Regular Session at 10:10 am. Board reported OLS management agreement was approved for another 3 years with a slight increase.

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

MOTION:	<i>To Adjourn meeting at 10:10 am</i>
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MOVED BY: Ed Madamba, Second, Deborah Rice,
VOTE: Unanimous.
RESULT: PASSED