

**BANYAN HARBOR TIMESHARE ASSOCIATION
BOARD MEETING
Thursday May 12, 2011 – 9:00am
Banyan Harbor Unit A4**

1. Roll Call

President Solberg called the meeting to order at 9:06am.

Board Members Present at Banyan Harbor

Jim Solberg, *President* Deborah Rice, Director
Sharon Baker, *Vice President*

Board Member Present by telephone

Stephanie Gonos, Secretary

Outrigger Lodging Services

Rick Ball, *Vice-President, Outrigger Lodging Services*
Lyle Otsuka, *General Manager, Banyan Harbor*
Stephanie Nakamatsu, *HR/Accounting, Banyan Harbor*
Tore Wistrom, *Consultant, Outrigger Lodging Services*

Others in Attendance

Ed and Penny Madamba (I111-G2), Lynn and Tom Henze (147-G2), Harry Baker (AOAO Board), Meryl Ferrari (AOAO Board), Linda Garcia (AOAO Board), Ben Bregman (TS developer) and Jill Briley (AOAO Board).

2. Proof of Notice

Lyle reported that notice was posted on 4/11/2011

- 3. Board Vacancy**- President Solberg discussed, with the sudden passing of Bob Garcia, there is a vacancy on the Board. In an email poll conducted of the Board, it was agreed that the Board appoint Ed Madamba to fill this position. (Ed Madamba was the runner up in the recent annual election and with his past years on the Board, he would be an excellent replacement).

MOTION:	<i>To ratify the appointment of Ed Madamba to the Board of Directors.</i>
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MOVED BY: Stephanie Gonos, Second: Sharon Baker
VOTE: Unanimous
RESULT: **PASSED**

MOTION:	<i>To appoint Ed Madamba as Treasurer.</i>
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MOVED BY: Stephanie Gonos, Second: Sharon Baker
VOTE: 4 for, 1 abstain – (Ed Madamba)
RESULT: **PASSED**

President Solberg congratulated Ed Madamba and welcomed him back to the Board of Directors as Treasurer.

4. Approval of Meeting Minutes

- a. **Board meeting minutes of February 18, 2011** – Jim asked if there were any changes or corrections to submitted minutes. Hearing none the minutes were approved as distributed.

MOTION: *To adopt the minutes as distributed.*

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

- b. **Organizational meeting minutes of February 19, 2011** – Jim asked if there were any changes or corrections to submitted minutes. Hearing none the minutes were approved as distributed.

MOTION: *To adopt the minutes as distributed.*

MOVED BY: Sharon Baker, Second: Stephanie Gonos
VOTE: 4 for, 1 abstain – (Ed Madamba was not present)
RESULT: **PASSED**

5. Management Reports

- a. **Board President's Report** – Jim reported visitor comment cards continue to have high marks and appreciates our staff's efforts. Jim also noted how the County and State continues to look at timeshare as a revenue source especially during this down economic times. Rick reported the proposed State timeshare tax increase did not pass.
- b. **Manager's Report** – Lyle once again acknowledged our great team of Banyan Harbor associates. He also briefly updated the Board, of Banyan Harbor once again attaining the #1 ranking in OLS guest comment scores for the Month of March. Rick also informed the Board that Banyan had also attained a #1 ranking in April as well. Lyle also updated the Board on the recent County meeting regarding area complaints of cruise ship employees. Lyle also distributed a summary of projects completed since the last Board meeting.

6. Financial Reports

- a. **March 2011 Financial** – Rick reviewed the financial results through March 2011. Revenues year-to-date slightly behind budget by \$435, and expenses were favorable to budget by \$4,684, resulting in a net surplus year-to-date of \$4,249. Good start to the year.
- b. **Reserve Study** – Rick reviewed the reserve study highlighting 2011 projects. Current and future projects will focus on new mirror / picture replacements, tub replacements, bathroom exhaust fans and interior door 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. Jim asked about replacement lamps; Lyle and Rick responded replaced as needed. Deborah asked about lanai furniture height to provide better view past lanai railing. Tore informed the Board of the special assessment billing for Excise Taxes approved at the last Board meeting, is being mailed this week.

- c. **Collection** – Rick reported and reviewed a recapped summary of outstanding maintenance fees. Rick noted Continental Central Credit, Inc., our collection company, inherited lots of old accounts which are being returned and we will see a future increase as they are processed for foreclosures. The Land court issue is continuing with a 2nd court hearing schedule for the end of May. An attorney has been retained to assist in the court hearings. Timeshare developer is sharing the cost with the association.

7. Unfinished Business

- a. **RCI Comment Cards** – RCI comments continue to receive high marks. Jim asked about Banyan pest control program; Lyle explained we have a quarterly interior spraying program and pest Control Company will respond whenever called. No challenges thus far.
- b. **Other** – Deborah asked about the hose to wash down sand after returning from the beach. Lyle informed board the foot wash area is located at the lobby lift station. We also have a directional sign designating the area.

8. New Business

- a. **Timeshare Developer update** – Ben Bregman updated the Board on various issues. Land court is still an on going issue and our hearing has been continued. Ben's recent email generated 8 sales to date. Ben has 16 liens in final process of foreclosure. Placing newspaper notice shortly with auction planned for July. Ben reviewed RCI trading power and other changes. Ben asked if the Board would approve Timeshare Developer to enter into an affiliation agreement with RCI as follows:

MOTION: *The Banyan Harbor Timeshare Board of Directors authorizes Timeshare Liquidators of Hawaii DBA the Hawaii Vacation Club, as the Developer of record, to enter into an affiliation agreement with RCI, on behalf of it's members. This includes but is not limited to RCI points, RCI weeks and Platinum membership agreements.*

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

- e. **Executive Session** - Board moved into Executive Session at 10:05 am and reconvened into Regular Session at 10:12 am.
- f. **Next meeting date** – Board agreed to utilized the 2012 meeting calendar as presented.

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

MOTION: *To Adjourn meeting at 10:20 am*

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