

BANYAN HARBOR TIMESHARE ASSOCIATION

ADOPTED MEETING MINUTES

DATE 19 February 2011

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**BANYAN HARBOR TIMESHARE ASSOCIATION
ANNUAL HOMEOWNER'S MEETING
Saturday February 19, 2011
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

Sharon Baker Vice-President

Robert Garcia, Treasurer

Stephanie Gonos, Director

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 Otsuka reported that notice was mailed to all homeowners on December 4, 2010 and again January 8, 2011 and posted on January 21, 2011.

Quorum Results

| | |
|------------------------------------|------------|
| Intervals represented by proxy | 542 |
| Intervals represented in person | 6 |
| Total intervals represented | 548 |

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

3. APPROVAL OF MINUTES

- a. **Annual Meeting February 20, 2010** – 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: Sharon Baker

VOTE: Unanimous

RESULT: PASSED

4. MANAGEMENT REPORTS

- a. **President's Report** – Jim expressed his appreciation of our property staff and is thrilled with how far Banyan Harbor has come over the past 20 years. He feels Banyan Harbor sets a great standard. He also appreciates how well our staff works together to improve operations and is grateful to the Board of Directors for their cohesiveness over the years and looks forward to many more. Jim thanked the owners in the audience for attending their Annual meeting.

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- b. **Treasurer's Report** – Bob commented how challenging a year it has been with the economy and going forward it will continue to be a challenge. He appreciates the assistance from Outrigger Lodging Services and the property management and staff. Once again we were able to stay within budget and experienced just a slight increase in maintenance fees. Our Banyan Harbor fees continue to reflect well compared to other timeshare operations. Bob then referred to Rick Ball VP of Outrigger Lodging Services, for the year end 2010 financial report. Rick then reviewed the financial results through December 2010. Revenues year-to-date exceeded budget by \$13,082, and expenses were unfavorable to budget by \$45,432 due to a bad debt accrual of \$49,000, resulting in a net surplus year-to-date of \$897 and \$32,350 favorable to budget. Management continues to do a good job of controlling expenses. Rick also referred to the Maintenance fee comparison in owner handouts, which reflect Banyan's fees as favorable compared to other Kauai timeshare properties.
- c. **Manager's Report** – Lyle acknowledged our great team of Banyan Harbor associates and briefly updated owners of Banyan Harbors retaining the RCI Hospitality award and Banyans #1 ranking in OLS guest comment scores for the Month of December. He also asked owners to please acknowledge our staff for a job well done. Lyle also distributed a summary of the projects completed this year and recapped a few of the larger projects.
- d. **Budget 2011** – Rick reviewed the approved 2011 Budget Summary (which was approved by the board of directors at their November 17, 2010 Board meeting). The 2011 Budget is also included in owner handouts at the door and was also mailed to owners with the January 2011 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, Ed Madamba and Deborah Coburn Rice. Jim then asked (3 times) if there were any nominations from the floor. Hearing none the following motion was made.

| | |
|----------------|---|
| MOTION: | <i>To accept the slate of nominees and close the nominations</i> |
|----------------|---|

MOVED BY: Harry Baker, Second: Jill Briley
VOTE: Unanimous
RESULT: PASSED

- b. **Election of Inspectors** – Jim reported Meryl Ferrari and Harry Baker volunteered to inspect and count ballots
- c. **Introduction of Candidates** - Each candidate present then 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.

Adjourned: 9:27 am
Reconvened: 10:23 am

ELECTION RESULTS

| <u>NAME</u> | <u>VOTES</u> |
|---------------------|--------------|
| Bob Garcia | 313.2 |
| Deborah Coburn Rice | 286.2 |
| Ed Madamba | 272.4 |

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Robert Garcia and Deborah Coburn Rice were elected. Each member will serve a 2-year term. President Solberg thanked Ed Madamba for his years of service and the board truly appreciates his years of service.

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 2009** – Jim reported that the auditor's report was reviewed and unanimously accepted by the Board at their September 9, 2010 meeting. The auditor gave the Association a "clean bill of health" and offered no recommendations or corrections to the accounting practices currently in use. Copies were made available at the registration desk.
- b. **Roll Over Resolution for 2011** – Bob Garcia read the following motion to ensure the Association non-profit status is 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 2011 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 2012 operating and/or reserve account.</i> |
|----------------|--|

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

- c. **Other New Business** – There being no further new business President Solberg moved to the next agenda item.

2. NEXT ANNUAL MEETING

President Solberg announced the 2012 Annual Timeshare Owners Meeting is confirmed for **Saturday February 18, 2012 at 9am**. The date for the next Board meeting was also announced to be held on May 12, 2011. Lyle also reported that based on availability, the next Timeshare Annual Meeting will be held at the Kauai Marriott.

3. ADJOURNMENT

| | |
|----------------|---|
| MOTION: | <i>To adjourn meeting at 10:28 a.m.</i> |
|----------------|---|

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