

**BANYAN HARBOR TIMESHARE ASSOCIATION  
BOARD MEETING  
Friday February 20, 2009 – 9:00am  
Banyan Harbor Unit A4**

**1. Roll Call**

President Solberg called the meeting to order at 9:02am.

**Board Members Present at Banyan Harbor**

Jim Solberg, *President*                      Bob 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, *HR/Accounting, Banyan Harbor*  
Tore Wistrom, *Consultant, Outrigger Lodging Services*

**Others in Attendance**

Ben Bregman (Timeshare Developer), Gus Enderlin (J114, AOA Board) and Harry Baker, (H121-T1 & T2, AOA Board and timeshare owner), Ray Smith (I102, AOA Board).

**2. Proof of Notice**

Lyle reported that notice was posted on 2/10/2008

**3. Approval of Meeting Minutes**

- a. **Board meeting minutes of November 19, 2008** – Jim asked if there were any changes or corrections to submitted minutes. Hearing none the minutes were approved as distributed.

<b>MOTION:</b> <i>To adopt the minutes as distributed.</i>
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**MOVED BY:**     Sharon Baker, Second: Bob Garcia  
**VOTE:**             Unanimous  
**RESULT:**         PASSED

**4. Management Reports**

- a. **Board President's Report** – Jim updated Board on Ed Madamba's recovery and says Ed is looking forward to attending May 29, 2009 Board meeting. Jim commented on the property RCI scores and comments; Banyan Harbor continues to receive good ratings. Jim also complimented the resort staff and truly appreciates everyone's efforts. Jim asked for an update on the liquor license application for the sports bar. Lyle reported Anchor Cove owners are appealing and may sue the liquor commission for procedural issues.

- b. **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 value and converting all piping to copper), purchased 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 functionality (preparing for updated property management software), installed floor molding in 39 timeshare units, implemented new property website [www.vacation-kauai.com](http://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.

## 5. Financial Reports

- a. **Financial** – Rick reviewed the December 2008 year-to-date financial results. 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.
- b. **Reserve Study** – Rick recapped 2009, 5 year and 20 year projects (as presented in board packets). Lyle recapped water heater replacement status and passed around a heater elbow pipe as an example of how much rust accumulates and restricts water flow. Rick also updated Board on the need to upgrade our property management software as the original vendor no longer supports the current software. We will have a recommendation at the May meeting. Further discussion followed.
- c. **Collection** – Rick updated board on owner receivable summary as distributed in each Board of Directors packet. The new collection policy changes should also assist collection efforts. We have experienced a slight increase in owner delinquencies due to the worsening economy however we are doing much better than other island properties. Further discussion ensued.

## 6. Unfinished Business

- a. **RCI Comment Cards** – Bob further noted comments are complimentary and staff is doing a good job in maintaining our scores. Congratulations to the Banyan Harbor staff and Outrigger Lodging Services for their continued efforts.

## 7. New Business

- a. **Meeting Dates** - Board members reviewed future 2009 / 2010 meeting dates and accepted as submitted.
- b. **Annual Meeting Agenda** – Board members reviewed agenda and approved the next annual owners meeting date of February 20, 2010. Board also approved having Ed Madamba assigned proxies be reassigned to the Board as a whole. Ed forwarded his signed proxy release.
- c. **2008 Auditors Proposal** – Rick reviewed proposal which is the same price as last year with the board. Proposal included in board packets.

**MOTION:** *To accept the 2008 Audit proposal as presented.*

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

- d. **Deed in Lieu** – Tore Wistrom updated Board regarding discussions with Timeshare developer (Ben Bregman), to formulate an agreement regarding Timeshare Deed in Lieu's. After much discussion an agreement was structured and signed between Timeshare developer and Banyan Harbor Timeshare Association.

**MOTION:** *To accept the Timeshare in Lieu agreement.*

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

- e. **Insurance summary** – Rick reviewed insurance summary folders provided in each board packet.

8. **Adjournment-** Hearing no further business the meeting was adjourned at 10:15am. Stephanie Gonos moved; Second Bob Garcia.