



PONO KAI
resort · kawai

Pono Kai Interval Owners Association

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RESORTS MANAGEMENT

February 2011

Board of Director's Message

2011 is off to a good start! When budgeting for 2011, we understood that we would be facing some increases in expenses, including; a master association (AOAO) fee increase to fund the major projects planned for the resort (building fumigation for termites, elevator cab refurbishment, etc.), increased utility fees caused by higher oil prices and to continue funding reserves per our plan. We feel confident that the budget will cover our operating costs and the increased reserve funding plan.

Like our fellow Pono Kai owners across the country, we have hopes that our country is making its way out of these troubling economic times. We are thankful that the steps we had taken as a board prior to the economic downturn were indeed prudent, but we remain cautious. We are also thankful to our resort staff and management as they continue to deliver award-winning service levels to make the Pono Kai resort the jewel that it is.

As you will read below, our Annual Meeting of the Members will be held April 6, 2011. We encourage you to attend the upcoming meetings. Whether or not you plan to attend, please be sure to send your proxy right away so that we can meet our quorum requirement. We appreciate your involvement in the association.

Fondest Aloha,
Dorella Lee – President

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Upcoming Meetings

Board of Directors Meeting:
April 6, 2011 – 8:00 AM at Pono Kai
Annual Meeting:
April 6, 2011 – 12:30 PM at Pono Kai

Organizational meeting of the board will immediately follow Annual Meeting. Meeting dates beyond April 2011 will be scheduled at the Organizational meeting. Meeting dates/times are subject to change.

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Important:

You could win an extra week's stay at the Pono Kai

We need your proxy to establish a quorum for the meeting. Complete the enclosed proxy and return it right away. **All completed and signed proxies received by March 21, 2011 will be entered into a drawing to win an additional week's stay at the resort.** Just think, soon you could be spending an additional week in paradise! But you can't win if you don't submit your proxy in time.

Summary of Board Meeting Minutes

Board of Directors Meeting - July 13, 2010

- The board approved the minutes from the April 1, 2010 Board of Directors meeting and the minutes from the April 1, 2010 Organizational Meeting of the Board.
- The board reviewed the Comment Summary, RCI Comment Update, Occupancy, Rental Presell and Manager's reports for May 2010. Mr. Sit reported that security hours had been increased as a result of thefts on the east side of the island.
- The board reviewed the Cash Report, Income Statement, Reserve Report and Delinquency Report for May 2010. The Cash Report reflected that the year-end cash was projected to be \$222,576. The Reserve Report outlined various reserve funding projects. The Board approved an additional reserve expense of \$25,435. It was reported that as of May 31, 2010 that 41.88% of the total accounts receivable remained uncollected, of which 10.20% were in outside collections. The Board unanimously approved the Treasurer's Report.
- The Board rejected an owner's settlement offer to pay only a portion of the past due amount. Discussion was held and the board directed management to address and consider settlement offers and deed in lieu requests on a case-by-case basis.

Board of Directors Meeting - October 13, 2010

- The board approved the minutes from the July 13, 2010 Board of Directors meeting.
- The board reviewed the Comment Summary, RCI Comment Update, Occupancy, Rental Presell and Manager's reports for August 2010. Mr. Sit reported that the Pono Kai had qualified for RCI's Silver Crown Award.
- The board reviewed the Cash Report, Income Statement, Reserve Report and Delinquency Report for August 2010. It was reported that the year-end cash was projected to be approximately \$223,000. The Reserve Report reflected expenses of \$352,762 year-to-date, forecasted expenses of \$121,670 and the projected year ending balance of \$184,850. It was reported that as of August 31, 2010, 35.14% of the total accounts receivable remained uncollected. The Board unanimously approved the Treasurer's Report.
- The Board voted unanimously to ratify the action to cast the association's total votes in favor of Dorella Lee and Barbara Paul as candidates for election to the board, to approve the Director's Travel Expense and to authorize Dorella Lee to sign the association's proxy and appoint Ms. Lee as the designated proxy holder for business which may come before the meeting at the 2010 AOA Annual Meeting of the Members.
- The Board unanimously approved the 2011 operating budget and collection policy.
- The Board unanimously approved the proposal submitted by Myers, Brettholtz & Company to perform the 2010 Audit at a cost of \$5,100.

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Did You Know...

- Number of Meetings: The Board of Directors is required to hold (4) four meetings a year. The governing documents regulate when the meeting must be held.
- Board Expenses: Because some of the PKIOA board members also serve on the AOA board (Pono Kai's Master Association), meeting dates are combined and expenses are shared between the two associations. This has greatly reduced expenses.
- Meeting Location: Because a large number of Pono Kai owners reside in Southern California, **(2) two** of the board meetings are held in the Los Angeles area each year (January and July). The other (2) two meetings are held at the resort (April – PKIOA Annual Meeting and October – AOA Annual Meeting). Because each of the association's must hold their annual meeting at the resort, these two meetings are held at the Pono Kai each year. This is welcomed and encourage by many owners on site at meeting time. These on-site meetings give board members the opportunity to see the operations and interact with the resort staff and owners while at the Pono Kai.

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Board of Directors

Dorella Lee, President; Bob Larsen, Vice President;
Stella Nelson, Secretary; Hugh Conroy, Treasurer; Norm Chaffin, Member

If you would like to contact board members or to obtain a full set of meeting minutes, you may write to the board, c/o Bluegreen at 4960 Conference Way North, Suite 100, Boca Raton, FL 33431 or email Kathy Ayrouth at Kathy.Ayrouth@bluegreencorp.com.

DON'T LET YOUR USE TIME GO UNUSED - Freedom Plus Deadline Approaching

Contact Bluegreen Reservations by June 30th to carry over your 2011 Use Week. Reservations must be made by June 30th of the following year, and once made, may not be cancelled. **If you carry over your 2011 Use Week prior to April 1 there is no charge.** If you carry over your 2011 Use Week between April 1 and June 30 there is \$35 non-refundable fee.

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Board of Directors - 2011 Election Meet the Candidates

Belinda Breen:

My husband Jeff Mueller and I have been coming to Kauai since 1988. We own 5 weeks at Pono Kai and 4 weeks at another Kauai resort. We have been Pono Kai owners since 2002. I am interested in serving on the Board of Directors in order to work proactively with the management company to consider ways to reduce costs, streamline and modernize procedures and to make the Board more accessible and responsive to owners. I would appreciate your support.

Hugh Conroy (**Incumbent**):

I am a long-time, dedicated owner and I am committed to the continuous improvement of the resort. I am a graduate of USC with a degree in Business Administration and Law and was a member of the U.S. Army Air Corp. from 1943-1946. I worked for Shell Oil Company and Ford Motor Company. I have served on both the AOA and PKIOA Boards since 1991. Currently, I am Treasurer of the AOA and the PKIOA. I would appreciate your support. If reelected, I will continue to foster strong relationships between owners, board members and staff.

Robert Larsen (**Incumbent**):

My wife and I have owned at the Pono Kai since the late-1980's. I have been attending meetings for many years and have served on the board since 2006. I have an extensive background as a healthcare executive. I received my BA degree from Bucknell University, an MD from Temple University and I am a graduate of Phil Crosby Quality College. I believe that maintaining expenses and ensuring that service levels remain at a high level help to safeguard the value of our ownership and this is my priority as a board member. I would appreciate your support.

George McCubbin: I am an active Pono Kai owner and have been attending board and annual meetings for many years. I've been an owner since 1987 and my wife and I own 10 weeks. As an owner of so many weeks at the resort, I am committed to keeping the maintenance fees affordable for all owners. I am retired from the United States Immigration Service where I served as Area Port Director, San Diego Ports of Entry (San Ysidro, Otay Mesa and Tecate). Prior to joining the USIS, I served in the California National Guard and the United States Navy.

Pattie McGinty: I am a 15-year owner and active member of the Pono Kai. I have over 30 years of experience in negotiating and procurement of contracts and service agreements. My strengths include creativity, an open and inclusive communication style, business experience, and experience with private and public elected officials. I am retired and work part time as a contract analyst for a local government office. I am interested and involved in my community. I keep abreast of local issues in Kauai as well as the overall timeshare industry and industry trends.

Stella Nelson (**Incumbent**): I love the Pono Kai and have devoted many years serving the resort. I have experience in residential property renovation and refurbishment and have taken an active role in the refurbishment projects at the Pono Kai. I am retired from managing an investment and insurance office and I have an extensive amount of knowledge about the resort operations and various associations at the Pono Kai as I have served on multiple boards. I am committed to maintaining fees while still providing quality service. With your support, I will continue to work towards these goals.

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Deeding Issues

If you've had a death in the family, experienced divorce or have any other issue that requires changes to your Pono Kai deed, please contact Amy Curren in Bluegreen's Association Services Department. Please write to Amy.Curren@bluegreencorp.com or call her at 561-443-8549. Amy can advise you on the necessary paperwork you will need to submit to make changes to your deed.

Contact Information

Bluegreen Resorts Management, Inc.
www.bluegreenonline.com

Reservations & Billing Questions
877-688-9889

Monday – Friday
8:00 AM to 9:00 PM (Eastern)

Saturday
9:00 AM to 5:30 PM (Eastern)



The Pono Kai Resort
www.ponokai.com

Don't forget to return your proxy (enclosed) for the 2011 Annual Meeting. If you submit your proxy on time (by March 18, 2011), you could win an additional week's stay at the Pono Kai.

Complete and return your proxy today!

Pono Kai Interval Owners Association - The Pono Kai Resort - www.ponokai.com