

Maintenance Fee Increase

Included with this newsletter is the 2011 Cash Operating Budget and Reserve analysis. The Budget provides for a maintenance fee increase from \$290 per month to \$305 per month.

No one, least of all your Board of Directors, is happy about the need to raise fees. But our six year reserve analysis shows that if we do not raise fees this year we will be in a negative situation within three years. We must

comply with Hawaii State law and fund our reserves.

At 2.5% Hawaii has the highest inflation rate in the country. Although improving, our economy is still depressed. And interest rates are so low that we no longer can count on income from our reserves to help subsidize maintenance fees.

If the economy improves, we expect that our other taxable income will improve.

If our new water heating system is more efficient and uses less electricity that will help the bottom line. We are always looking for efficiencies and ways to increase income while being careful about spending and maintaining the building as a first-class place for you to live and others to visit.

Next year when the budget is prepared we will re-evaluate the necessity of a fee increase.

➤ Maintenance fee increasing to \$305

➤ Your consent needed

➤ Lease rent increases not determined yet

Written Consent Forms

We recently mailed additional written consent forms to all owners who have not provided us with their vote, one way or the other.

The purpose of the proposals is to allow the Association to take advantage of a recently passed law that allows the Association to take action against chronically

delinquent owners who are using their unit(s) for personal income while not paying maintenance fees and/or lease rent.

Three owners account for 84% of our outstanding \$48,000 in delinquent maintenance fees. One of the three has agreed to a payment plan while still under threat of foreclosure. That leaves two owners of a

total three units who are seriously in debt to the Association while collecting rent from their units.

Their hands are in your pockets. You can take their hands out by signing and returning the written consent forms.

Lease Rent Increases

The ground lease rent and sandwich lease rent are due to increase December 1, 2010. The new lease rent will depend on agreement on the fair market value (FMV) of the land as of December 1.

Waikiki Banyan has secured an appraisal of the FMV and made an offer to Becker. At this point Liliuokalani Trust

and Becker Capitol Management have not made the results of their appraisals known, if they even have had one made.

There are two certainties about the new lease rent: it will be higher than what you have been paying and it will be retroactive to December 1.

Our attorneys are trying to move the process along. As soon as we know we will let you know.

In the meantime, if you didn't purchase the fee and/or the sandwich lease position, continue to pay the current lease rent and set aside some monies for the increase.

Parking Pass Use

Our House Rules limit parking pass use to owners living in their units, tenants in the unit and agents actively servicing the unit.

Income from our parking garage provides over 40% of our non-maintenance fee income. These monies help keep down your maintenance fees.

We are finding that some passes are being used for purposes other than those

permitted. They are being sold, rented, loaned, or given to persons who otherwise would pay to park, thereby depriving all owners of rightful income. This is theft and subject to criminal legal sanctions and/or other civil sanctions.

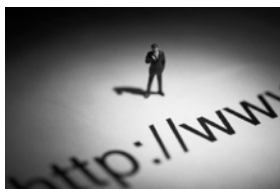
We have also discovered that some persons have been using passes declared lost while also using the replacement pass. This is fraud and subject to drastic

action.

Towing, fining, revocation of parking privileges are other means the Association can use to enforce compliance with its rules and regulations.

Please read our House Rules, available on our web site, and provide copies for your tenants and agents.

Find out more about this at [waikikibanyan.org](http://www.waikikibanyan.org).



Visit us on the Web at www.waikikibanyan.org

2011 Parking Passes

The parking passes for 2011 have been ordered. The new passes will be effective noon January 1, 2011. The 2010 passes will no longer be valid after that date.

Each owner is entitled to one (1) parking pass for each apartment owned. Control of the parking pass is the unit owner's responsibility. You may assign your pass to your tenant or rental agent, however we must have

your personally signed authorization before we will give a pass to anyone other than you.

THERE IS A \$50 CHARGE FOR REPLACEMENT OF A LOST PARKING PASS.

If you sell your unit, please give the pass to the new owner. If you do not, the new owner will have to pay \$50 for a new pass.

We will not be mailing out the passes. They will be available beginning December 15 in the Administration Office, 306-II, during normal business hours.

If you wish to assign your parking pass, please fill out and sign the form at the end of this newsletter and mail or fax it to us at:

AOAO Waikiki Banyan, Administration Office, 201 Ohua, #306, Honolulu, HI 96815.

Fax: 1-808- 921-2037.

Aloha Nui Loa

Waikiki Banyan Authorization for Annual Parking Pass Assignment

I, _____, owner of unit # _____ Tower _____
Print Name

hereby authorize the agent or tenant named below to receive (please select only one)

EITHER my 2011 parking pass (*default if no box or both boxes selected*)

OR my parking passes each year until this authorization is revoked or superseded

Print the name of the person/company authorized to receive the pass.

State whether agent or tenant.

Owner Signature

Date Signed