

**The Island at Hidden Harbour
Board of Directors Meeting**

**January 17, 2009 – 1pm
Meeting Minutes**

Board members in attendance: Wayne Keeler, Lou Engle, Marie Henderson, Tom Murrill, Carol Ann Bianco. Barbara Taylor/OCREM also attended this meeting.

Wayne called the meeting to order at 1:10 pm in the Sales Office on the Island. Due to some board members travel needs, we agreed to reverse the order of the agenda items and started this session with the New Business/Bids.

New Business/Bids:

Cayman re-carpet in 2009:

During the November '08 board meeting, Donaway was chosen as the carpet vendor for the Cayman re-carpeting project. We conveyed this decision to them but planned not to sign the contract until January since it called for a deposit check to accompany the executed contract. In December, Donaway informed us of an upcoming price increase in the carpet material to be effective after the first of the year. They asked we sign the contract then so they could place the order for the material at the old price; in return they agreed to waive the deposit request until January 2009. The board took this action in partnership with them. The deposit check has now been drawn and is in process of being signed by both Mark and Lou (all reserve fund checks require two signatures).

Barbara advised during this down time period, she is working with Ed Moore (painter) to determine quantity and vendor options for the UR1600 (aka goo) undercoating product that is used to help preserve the wood deck boards (it does not make them waterproof).

We agreed it is time to ask Susan Moore to alert the Cayman owners of this pending carpet cost to them. As decided in the 8/17/08 meeting, each owner is to pay the carpet cost for their own private decks. The insurance money for the old water damage claim will cover the common walkway area of the building. Carol Ann agreed to engage Susan.

Finally, we reviewed the upcoming painting projects for this spring. Both Cayman and Bermuda will be power washed at the same time, starting in March once the water is turned back on to the property. We agreed to send a deposit check to Moore Painting mid-February to authorize the start of this work.

Lawn Care:

Marie advised she negotiated the requested changes to the Sposato lawn care contract and has a signed addendum memo from them covering these issues. She then signed the contract in December and provided the original signed document today to Carol Ann for retention. Marie further reiterated that all coordination efforts with Sposato will be done through OCREM.

Sprinkler system contract:

Barbara provided the 2009 Dunning Hardscapes sprinkler contract for The Island. She determined with Adam that we now have 13 working sprinkler systems on the property. One is for the entrance area; one at each pool and then one for each of the 10 buildings.

Marie noted that we have additional landscape improvements planned in the spring with Adam, including the removal of soaker hoses in some areas. She suggested he needs to do a better job coordinating his on-site efforts with OCREM including a specific time schedule for service work. A diagram of the sprinkler shut off locations should also be documented. Barbara will work with Adam on these items.

Lou made a motion to approve the Dunning contract; Marie seconded it. All present voted to approve. Wayne then signed the contract.

Cleaning contract:

In December Barbara compiled a bid document for The Island cleaning which included the items we discussed at our last meeting. This included a reduced cleaning schedule for 2009 as well as again specified the walkway carpets to be vacuumed on a regular basis. She received 4 proposals for our review. Barbara also provided background information as well as the results of her verification of the references listed for these companies.

After discussion of the 4 proposals received, Marie made a motion to approve Shore Clean's proposal as it included vacuuming and leaf removal; their bid also indicated a flexibility to work to our satisfaction and their references were excellent. Lou seconded this motion and all present voted to approve Shore Clean. Wayne signed the contract.

Barbara will coordinate all logistics with Shore Clean/Christy regarding the time of day when cleaning will start and end. All insurance documents have already been provided to OCREM.

Pool contract for 2009

In December, Barbara sent our request for proposal to several pool maintenance companies using the specs we approved in November's board meeting. She received two vendor bids for our consideration.

After reviewing both bids, we felt the included cost of chemicals put both bids at cost parity. Wayne made a motion to accept the proposal from 1st Choice. Marie seconded it and all present voted to approve. Wayne signed the contract.

Security contract:

Barbara provided a contract from Coastal Security Agency to again provide July 4th coverage for The Island. Their rates were the same as last year. With July 4th being a Saturday this year, we feel the need for this service will be high. Tom questioned if they are licensed in MD which Barbara agreed to verify but she feels confident they are. All board members present voted to accept this contract which Wayne then signed.

Misc. bid information:

- 1) Gilbert Electric---we selected this vendor to repair several items in the north pool house to be done in the spring. Wayne signed the contract at this meeting.
- 2) Triangle/Marty—Barbara is getting a cost bid to replace a section of sidewalk broken during the tennis court installation work; this work will not be completed until after the final tennis court surface is in place
- 3) Moore Painting---Barbara advised Ed Moore is currently on vacation but will provide, upon his return, bids for the following potential projects:
 - a) paint the light poles on The Island property
 - b) power wash the bricks on the entrance bridge
 - c) power wash the sales office (lightly) and paint the trim wood

Active/On-Going Project Status:

Lanai painting:

Painting of the Lanai building was completed late in November. This project is finished.

Cayman south stair tower:

The final invoice for this project came in same as was estimated. All work is confirmed done. This project is complete.

Water leaks:

--346 Lanai:

This owner provided OCREM a copy of his sales contract on which was noted, by the real estate agent, that the condo association is solely responsible for repair and/or replacement of his slider door/flashing. Four contractor inspections have been done on this unit, each following a rain event, to determine the cause of the wet carpet by the fireplace. In each case the exterior siding/flashing was found to be properly sealed. It is felt the water infiltration to be resulting from either blown water hitting the door or dirty slider tracks not allowing the water to drain through the weep holes.

The board reiterated the real estate agent had no authority to include this language regarding ownership in the contract. In fact, both The Island condo association by-laws and the MD Condominium Act state that all doors and windows are the responsibility of the unit owner. Barbara will send a follow-up letter to this owner stating the above with a copy of the letter to our attorney; the letter is to be approved by the board first.

--246 Lanai:

The Island maintenance person re-checked this unit's exterior storage closet following a rain event. He determined the rain was being blown in around the door frame itself. No water marks exist on the ceiling or interior walls but rather the interior of the door was wet. OCREM notified this owner of his recommendation to install weather stripping around the door frame. Closed

--157 Islamorada

Roof repairs were completed on this unit. No further action is indicated.

Lighting maintenance:

Joe G. has completed several inspections to date. Marie commented on the red and green light bulbs now in place at the bridge entrance—they are much brighter. Joe's developing a lighting diagram of each building to record which bulbs have been replaced. This will allow him to identify repeat cases, if any. He also developed a numbering system for the dock lights to help identify and track those. Once fine tuned, these bulb replacement reports will be shared with the board liaison at the end of each month.

Winter heat inspections:

Joe G. completed the January heat inspection of all owner units. A notice of inspection was left in each unit, except Aruba, Bermuda and Cayman due to an office coordination issue. Those units not accessible, due to key or security code issues, have been identified. OCREM personnel verbally contacted each of these unit owners reminding them of the winter heat requirements. The board recommended OCREM send registered letters to these owners also. During his January inspection, some units were found to still have the water turned on and the thermostats in a few units were still set on AC and had not been switched to heat yet. Another inspection is planned in February.

Run-away recycle bins:

As was conveyed to the board in emails earlier in January, the 2 recycle containers normally located by the Cayman building were blown off the property during a new years wind storm. Evidence shows they rolled down the walk and then landed in the lagoon. Only one recycle bin has been spotted—first across the lagoon at Seascape condos and then it moved back over to the Hawaii dock area where it is currently frozen in place. Efforts will be made to recover this container once the water thaws.

Barbara discussed our options to better secure the recycle containers with OC Sanitation. She is also checking with contractors for structural designs to prevent future incidences. The board asked her to provide several recommendations for our next meeting.

Wi-Fi

A two year contract to install and provide Wi-Fi service on The Island was signed with City-Media Group, LLC at the end of November. They plan to install antennas on the two pool houses as well as one on the electrical closet on Dominica. They plan to house the network equipment in the electrical room on Bermuda. No new electric outlets are required to support this equipment so the installation will be totally free to the association. Installation work is underway now. Flyers have been provided to OCREM for inclusion in the next owner newsletter.

New Website status:

The board selected the new design for the IHH website via email in December. Carol Ann reported the actual coding and layout work is underway now. This project remains on track for turn-up in early February.

Finances:

During our review of the most recent financial reports, it was noted we ended the year up \$78k. However, it was agreed the account codes still need to be re-aligned in a more logical format. While the December report showed the consolidation of one category—building repairs into building maintenance, the board agreed more is needed. For example, a major account might be ground maintenance with sub-categories under it for lawn maintenance, landscaping, and sprinkler system maintenance. Another major account might be management fees with sub-categories of accounting fees, legal fees, financial fees and management company fees. A new code alignment will also aid in comparing our expenses to our budget. In Mark's absence, Lou agreed to work on this effort. Once a new code structure is determined, OCREM and the board liaison will designate the code desired for invoices as they are approved.

Another board member also raised the question why OCREM is not copied on our financial reports. Fortunately OCREM has received several condo re-sale package requests. However the most recent financial information they have available to provide is from 12/31/07. Wayne agreed to contact Moore & Co for OCREM to be included in future mailings.

Barbara also stated she has no documentation on our insurance policy. She requested to be supplied with this information, at least the deck pages.

On our matured and soon to mature reserve fund CDs, the board felt we will probably obtain the best interest rates from the smaller banks or savings and loan associations now. We agreed the goal is to move away from Chevy Chase Financial. We also do not favor getting involved in a broker arrangement in the current financial environment.

Owner Guidelines/Action Items:

Next Newsletter to owners:

Carol Ann advised she plans to write the next owner newsletter around the end of this month to bring all owners up-to-date on recent decisions and plans

Items from the floor:

Carol Ann polled the group for the desire/need for a board meeting in February. It was agreed to cancel this session. The next scheduled meeting is set for March 21. Wayne suggested we might consider holding this meeting at an alternate site, outside of OC. .

The meeting adjourned at 3:10pm.

Respectfully submitted,
Carol Ann Bianco, Secretary