

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

**May 16, 2009
Meeting Minutes**

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

Wayne called the meeting to order at 9am.

Active/On-Going Project Status

Irrigation system activation:

Marie advised the irrigation system is under control. The vendor we've now hired, Mike McConnell (McConnell Landscape & Construction, LLC) advised we have a "hodge-podge" system with seemingly no specific layout defined. Each building has its own timer/controller which is not necessary; several buildings could be linked together and run off one master controller. Mike will work with Marie as he finds issues.

Mike will be back next week to install the new sprinkler heads at the front entrance and do the plantings per the contract we approved by email earlier this week.

Tree removals:

Barbara advised the 4 sycamore trees in front of Hawaii and the 3 plum trees rear of Dominica have been taken done. The board agreed work was completed per contract and it is okay to pay this invoice now.

Recurring sinkholes:

Barbara informed the group that McGinty did return and filled in the sinkhole in the sidewalk between Bermuda and Cayman. He said it was a result of settling. Barbara agreed to keep it on a "watch list". She also reminded us Marty checked the ground sinking problem near the north pool and dumpster last year. He feels it is related to the other water ponding issues near the north pool, i.e. the poor drainage of the grass in that area. We asked to have Mike, the landscaper, look at this and give an opinion/solution.

Project Updates:

—Cayman work:

- Wood repairs are completed except for a fascia board that required a lift. Marty will be on site Monday to install it, along with a downspout on Kauai that blew off in storm.
- Paint work is 95% done now. The peaks and foundation work will be finished next week, weather permitting.
- Carpet installation is complete on the rear decks. They plan to apply the "goo" on Monday and then have the carpet installation on the front walks and decks started on Tuesday and complete by Thursday, again weather permitting.

---Bermuda work:

Marty/Triangle plans to finish the wood repair work on Bermuda this coming week, again weather permitting. Painting is delayed until Cayman is finished which puts Bermuda well behind schedule due to the many rainy days in May.

--Tennis Court:

Sport Systems plans to mobilize this coming week to do the final surface leveling of the asphalt; it is anticipated this will take 4-5 days. Then, weather permitting, the paint application would start. After all paint is applied, a 24-48 hour cure time is required before play can be allowed. Thus there is virtually no chance the tennis court will be ready by Memorial Day.

Carol Ann discussed the latest draft letter (version 5 now) informing owners of the key box access codes for 2009. This letter will be sent out to the owners along with the May newsletter mailing by the end of May.

Pool “stuff” for this season:

--Water fountain at the south pool:

The new water fountain has been installed at the south pool. This is complete.

--Umbrellas:

Marie found after examining the existing umbrellas that half of them are still good for at least one more season. She ordered 6 new umbrellas from Hit the Deck LLC. This is the same company who supplied the last batch so design style and color will be consistent. During the meeting, Jim Henderson took the final payment check, picked up the new umbrellas, and delivered them to The Island. [Thanks Jim]

--Signs:

The hazard sign on the pool chemical room doors has been installed. We also verified each pool has a sign on the gate stating “no glass” allowed.

--New pool issues:

- 1) The chlorinator at the north pool is broken. We authorized a replacement unit be installed a few days ago (estimate \$500) as it is a requirement to run the pool. 1st Choice will install the new unit before Memorial Day opening.
- 2) Carol Ann and Lou verified with 1st Choice both our pools are compliant with the Virginia Graeme Baker Act. Ken advised he had already replaced both drain covers and completed the necessary paperwork.
- 3) Lou reported a water line in the north pool room is leaking. We need to get By the Sea Plumbing out to repair it. Barbara will coordinate this with Lou’s on-site assistance.

Wi-Fi

We discussed an owner’s concern in Dominica. Barbara explained that per Tony, City Media, use of antennas on Hidden Harbour III delivers a better signal to Dominica. He said to think of it as a flashlight. When you shine the beam, it spreads the light/signal out. Carol Ann will caution owners in the next newsletter of the capabilities and limitations to the Wi-Fi service; it is not a perfect solution for every owner’s situation or need.

We briefly discussed the addition of The Sanctuary association on the general Wi-Fi network. If we have service issues, we need to engage Tony immediately.

Fire Protection—telephone lines:

No update at this time

Lawn Care/Phragmites:

Barbara reviewed her recent walk-around inspection of The Island with Tony Sposato and Jay Owen/Sposato Co. They agreed to trim back bushes that block the photo eyes controlling the lights. Barbara said they recommended we do a hard trim on the shrubs in the fall (extra cost). Per their contract, we are due for a shrub trim in June/July; we need them to esp. concentrate on the euonymus and other shrubs around the HVAC units.

The phragmites were also discussed as a concern on the bayside buildings. They are in the rip-rap as well as under some of the buildings. Barbara will talk to Mike McConnell (landscaper) to see what he can do or suggest. Lou said he would spray under Maui for all the weeds there to hopefully stop the ant problem.

Cleaning service:

Barbara commented she is getting good reactions to the new cleaning service company. They did misread the dates on the contract and started late this year. In order to make up the time, they came extra days of the week to satisfy their commitment and get caught up. Carol Ann reported we advised in their vacuuming efforts on the common areas, they were not to move any furniture placed there; just go around it, if needed.

Finance Report:

Operating Fund/Reserve Fund:

The April financial reports were only just received late in the day prior to our meeting so we have not had an opportunity to really examine them yet.

Year to date budget vs. actual report review:

The items we requested be moved into the general report sub-category structure have been done. We realize it will be a work in progress for some time. Also with our current accrual accounting method, the sub-account structures versus the budget amounts appear skewed in some areas as they were applied to the main category. We discussed the possibility to shift to a cash basis of accounting. Mark will discuss with Moore & Co.

Legislative rulings:

Lou reported re our fidelity bond –we are fine.

Requirements to be met for re-sale financing:

To be compliant with the new guidelines for anyone trying to obtain a Fannie/Freddie Mac financing agreement, we now list our insurance deductibles as a line item so lenders can see how it will be paid if a claim is made. This item is complete now.

Board members financial end of year report:

Lou stated we don't pay extra for the board financial end of year report. Further Mark advised we pay Moore & Co on an hourly basis. The rate depends on who in their office handles a task; thus the charge varies each month. Mark receives and approves these invoices.

Insurance proposal for 2009-2010:

Mark presented and reviewed a proposal package of options for The Island's insurance coverage for the coming year. After discussion of the available options, Lou made a motion to accept Alternate Premium Summary #1 which shifts us to an admitted carrier. His motion also included we select the \$10M umbrella option versus the standard \$5M. Marie seconded this motion and all present voted to approve.

Mark advised Barbara she will get the new deck pages once the policies are in effect.

Owner Guidelines/Action Items:

Request to install a satellite dish:

OCREM received an inquiry from an owner in Bermuda to install a satellite dish. Marie provided documentation from the FCC which we reviewed. Carol Ann shared the IHH by-law regulations on Use Restrictions—Article XII, section k. The request to install it on a south-west portion of the unit and the limitation not to allow it on common areas appear mutually exclusive. OCREM will research further.

Heat Pumps:

Carol Ann reported she only has 2 heat pump units left to positively identify in the Cayman building.

Newsletter to owners:

Carol Ann discussed she has been hampered to complete the May newsletter due to all the weather impacts on current projects. She will now put a stake in the ground, finish it and have it ready to be mailed out to all owners by the end of May.

New Business/Bids

Landscaping:

Marie distributed the McConnell Landscape bid for the front entrance area to the board via email earlier in the week. Board approval was committed at that time to install 4 additional sprinkler heads in the front entrance area. This bid also included a complete new planting of annuals and bushes in front of the entrance sign. These improvements will provide a terrific first impression of The Island.

Marie then shared a bid she just received to update the landscaping in the area between the west guard house and the sales office. This bid also included updating the landscaping in front of and around the sales office area. Carol Ann made a motion to accept this bid. Lou seconded it and all present approved it.

Paperwork on 2 more bids from McConnell Landscape is expected momentarily. One includes landscape edging to be installed around the tennis court to keep the grass and weeds out of this area. The second bid is to remove the Hollywood junipers around the dumpster areas at Aruba, Bermuda, Cayman and Dominica. This one also includes the removal of 4 trees along the north pool area. Lou made a motion to accept these 2 bids which Mark then seconded. Again, all present approved.

Cayman electrical room door:

As discussed in the April board meeting, we need to replace the rear electrical room door on Cayman as it is severely rusted at the bottom. Barbara obtained a new bid for this project from Triangle/Marty. He recommended and bid the installation of a steel fire room door. This bid was rejected in favor of a basic steel door. Barbara provided an estimate to install the door by Joe G, our handyman, of 2-3 hours labor. Mark made a motion to order the basic steel door and have Joe install it. Lou seconded it. All present, except Carol Ann, voted in favor. Motion passed.

Recycle bins:

Barbara announced we now know the location of both runaway recycle bins. The second one has been located and secured in a boat slip (#267) at Hidden Harbour V. Barbara has already contacted McGinty to remove both bins from the canal.

Note: we do not expect these sunken bins will be usable due to their extended in-water conditions. Two new bins have been ordered.

The board then reviewed 2 revised bids for two new 3-sided enclosures to house each set of recycle bins and prevent future roll-away problems. Marie made a motion to accept McConnell Landscapes bid. Wayne seconded it and all present voted to accept.

Note: following the meeting, several board members along with Barbara toured The Island for the best location to place these structures. A firm site was selected near Lanai. The second location on the east side of the property was not finalized. Barbara will meet with Mike McConnell and OC Sanitation to determine the best location.

Deck cleaning—townhouses:

The board reviewed the requested second bid to power clean the townhouse common area decks. This one is from Moore Painting to power wash the Trex deck front common area of the 4 townhouses and the gazebo. Tom made a motion to accept Moore's bid which Lou seconded. All present voted in favor.

Paint front entrance sign:

After our April meeting, Barbara discussed our request for a bid from Moore Painting to paint the front entrance sign. Ed advised he has a talented employee very capable to do this job however it is difficult to estimate the time needed and thus the cost. His off-the-top estimate was deemed too high by the board. We asked Barbara to obtain a second bid.

Future Projects:

--Bridge cleaning

Last fall the board approved a bid from Moore Painting to power wash the brick entrance bridge coming into our property. With all the recent rains, Carol Ann questioned if we really wanted to pay someone to pour more water on it. The board agreed this job should be cancelled. Barbara will advise Ed Moore.

--Paint guardhouses:

Wayne noted shortly the only structures yet to be painted on The Island are the two entrance guardhouses. He recommended we get a quote from Moore Painting to do the trim areas only on both of them in the fall. Barbara will contact Ed for a quote.

Items from the floor:

Carol Ann reminded everyone the scheduled June board meeting date is Father's Day weekend and asked if this presented a problem for anyone. The group decided it best to move the meeting off a week. Thus the next board meeting is Saturday June 27 at 9am.

Lou made a motion to adjourn the meeting at noon. Wayne seconded it and all present agreed.

Respectfully submitted,
Carol Ann Bianco, Secretary