

**MINUTES OF BOARD MEETING
JANUARY 21, 2006
THE ISLAND AT HIDDEN HARBOUR**

Meeting called to order at 10:00 AM

Present: Ed Heinemann, Mark Hannahs, Marlin Newell, Sam Wright, Wayne Keeler, Marie Henderson

Rick Clark called in for conference call on his cell phone. He expressed we needed to move forward and finish units in Cayman Building.

Board reviewed and approved Minutes of November 5, 2006 Board of Directors Meeting.

Ed Heinemann handed out new Dynamic Agreement drafted by Luke Rommell. Board discussed agreement. Attorney, Luke Rommell, was called and put on speaker phone. Ed Heinemann asked for his opinion on severing the ties with Dynamic. Mr. Rommell said that there is always some risk when severing a contract. He thinks Dynamic will go to court to sue. He does not feel they are organized enough to come up with the detail for a trial. Secondly, Dynamic breached the contract and Dynamic walked off the job twice. Should Dynamic go to court they would expose themselves to other monies owed to owners. There is a lot of weakness in their case. Of course, there is no guarantee we would win, however, he feels the risk is minimal.

Marlin asked Mr. Rommell about mechanics liens. Luke: A lien does not mean much. They are not going to recover anything that they are not owed.

Sam: Asked consequences for unit owners who might want to sell their unit.

Luke said -- There are certain ways that we could sever the lien. The Association could cover it and the unit owner absolved.

Dynamic would have to establish the merits of the lien. Luke felt that would not keep him from severing the contract. Sam Wright said he would perform some investigation regarding the lien issue.

Sam made motion to sever ties with Dynamic and motion was seconded by Mark Hannahs. The Board unanimously approved the motion to sever the ties with Dynamic.

Ed Dudley of Maintenance Connection attended the meeting. He was asked to become the General Contractor to complete the Cayman job. Ed agreed and will meet with Ed Heinemann on Sunday January 22, 2006.

Mark Hannahs asked Board's permission to file a claim on Dynamics insurance. Board agreed. Mark Hannahs will collect information to prepare an insurance claim against Dynamic

Mark Hannahs will need a list from the owners in Cayman Building for the damages done by Dynamic to their property. Mark will submit a claim for owner's damage and building damage to Dynamic's insurance company. Mark asked Ed Dudley to provide him with a list of damage which Dynamic did to the Cayman Building.

Board will send a letter to unit owners to inform them of the Board's decision to terminate the contract with Dynamic and request a meeting with each of the owners involved.

Board discussed general maintenance of The Island. Marlin Newell will look into cost of vinyl railings.

Marie Henderson asked for and received approval from Board to hire KB Cleaning. Per their contract, they will vacuum the common hallways/stairways once each month and will pick up trash, sweep, remove leaves from the Island two times per month for a total of \$360.00 per month. If we need additional cleaning, we can increase the number of times they provide the service.

Ed Heinemann is getting information on heaters to place in attics of all buildings. Insurance company required heaters to protect pipes against freezing . He hopes to have information at next meeting.

Meeting conclusion, activities to be performed:

Ed Heinemann will inquire with the plumber on a price for installing water heater pans and drains for all Island units. Owners may also elect to replace water heaters at that time.

Wayne Keeler will check into acquiring a company to perform major repairs on Oahu .

Marlin Newell and Marie Henderson will both attempt to contact McGinty to inquire on the status of the sinkhole by Cayman building. Also, for the dredging of Ron Lough's slip.

Marie Henderson agreed to contact a company to see about having the flagpole repaired.

Marlin Newell will contact Island Floor Coverings to check status of Aruba carpet claim and to ask for a price for the Maui carpet replacement.

Ed Heinemann will make sure that Luke Rommell sends termination letter to Dynamic immediately.

Next Board Meeting will be on February 25, 2006 at 10:00 AM in Sales Office.

Meeting was adjourned at 1:00 P.M.

Respectfully Submitted,
Marie Henderson, Secretary