

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

**October 21, 2007 – 9am
Meeting Minutes**

In attendance: Wayne Keeler, Lou Engle, John Thrift, Steve Schnell, Marie Henderson, Mark Hannahs, Carol Ann Bianco

The meeting was called to order at 9:05am in the Sales Office. Brief introductions were made to include the newly elected members as this was the first face to face meeting following the annual elections.

Roles & Responsibilities:

It was agreed that the Secretary (Carol Ann) will lead the effort for future newsletters to the owners along with the typical meeting agenda and minutes. Further it was agreed any owner's letters and/or memos will be acknowledged by and responded to by Carol Ann. Should OCREM be engaged in such communications, copies of their correspondence is to be copied to Carol Ann for the board's knowledge. Carol Ann will advise OCREM.

The Board Liaison role with OCREM will be split between Wayne and Lou this year. Wayne will continue to lead major project work (i.e. South Pool, Towers, etc) while Lou will handle the day to day type activities.

South Pool Repair Bids:

At 9:30am, **Mr. John Jarvis, Jr.** joined the meeting to discuss the current problems with the South Pool. John is with Atlantic Aquatech out of Ocean City, MD; he was the builder on the initial pool construction and thus well able to advise us.

Considerable discussion followed re the skimmers, the crack in the bottom of the pool, the deck surface, equalizer system and possible need for weep holes. Lou reviewed the history of a previous "repair" job done to this pool and the possibility it created several of our current problems.

Then all board members joined John to physically view the pool and determine the plan of action. Due to no chemical treatments to the water in the past weeks, the algae growth in the water made it impossible to see the crack at the bottom. This is also going to cause stains on the walls. It was determined an expansion joint was installed when the deck resurfacing was done several years ago. Due to the poor condition of the top coat of the concrete deck material, a sundeck application cannot be directly applied to the existing top surface as it was when the pool was first built. Sundeck was originally applied to cover up the poor concrete work on the original deck. Work will be required on the skimmers as they are obviously not working now. Skimmers and equalizers are initially the main areas of concern.

The crack in the bottom of this pool should be repairable with a high pressure epoxy injection. Weep holes will be considered due to the water seepage on the raised pool surface walls. The pool deck surface will be addressed as a separate, future item.

Note: the spongy grass noted in the area around the pool is likely due to lawn sprinklers and lawn grading issues, not a pool water leak.

After this on-site inspection, the board passed a motion to have John/Atlantic Aquatech do the following within the next 2 weeks:

- Drain and clean the pool (John will do; not Riptide)
- Do a Pressure Test on all the pipe systems
- Remove the pool lights to verify the conduit is not compromised
- Verify if the Equalizer system is there and working
- Perform a dye test to determine the origin of the leak.

An estimated \$300-\$500 cost to perform the above was authorized; OCREM has key access to the pool area and pool equipment room.

A full proposal of required repair work will be generated once this is completed. The board will review and determine next steps at that time.

It was also decided the other repair bid for the South Pool from Trond Care will not be pursued. Wayne will advise them of this decision.

Old Business --- Status of:

Classic Exteriors:

Wayne advised Classic Exteriors will be back on the Island the week of Oct 29th to finish the job. They have 3 more units to fix plus determining why there is a continuing leak problem on the Simon's unit (350-Maui) in the area of their personal awning. If it is determined that awning must be removed, Marie will intercede with Mike @ Canvas Experts. Classic Exteriors will meet with Ed Dudley (Maintenance Connection) and OCREM to coordinate work efforts.

Keen Wick Carpeting:

Wayne advised he met with Matt on Saturday 10/20. Matt has 2 punch list items to complete and then his work is done. These will be finished this coming week.

Known future carpet needs are for the Cayman building—parking lot side only—resulting from the wear and tear damage from the flood restoration. Due to the difference in monies from the insurance claim settlement versus the cost of the re-carpet job, plus weather and lack of current inventory of this material, this project will not be addressed until next year. Owners who have concerns regarding their back deck carpet damage should seek aid from their Homeowner's Insurance Policy. IF owners choose to re-carpet their back decks at the same time as this project is undertaken, that cost will be billed to them as per our usual procedure.

Note: Aruba, Cayman and Dominica are the only buildings still using the old style carpet that is no longer available.

The board agreed to have the rear deck of Rick Clark's unit (118-C) steam cleaned to see if the reported rust stains can be removed.

On Mr. Jackson's unit (218-C) there is a significant gap in the carpet at the condo main entrance hallway. It was recommended a patch of some material be applied to prevent trips and/or falls.

Carol Ann will send a letter to the 9 unit owners in the Cayman building who were impacted by the flood advising them of our current plans to re-carpet only the front side decks in the Spring of 2008. That letter should be sent out in 2 weeks time.

Moore Painting Co:

We have \$90k budgeted for next year to paint 3 buildings. The proposal received from Ed Moore on 10/16/07 shows \$30,300 for Lanai, \$39,850 for Dominica and \$20,600 for Islamorada.

Any bare wood found, typically on hand rails, needs to be painted; damaged hand rail brackets to be replaced as found. The mailboxes (with unit numbers re-applied), the gas and electric meter units on building walls will be painted in the coming weeks as needed.

Due to concern for the appearance of the Aruba building, it was suggested we have Ed Moore re-look at the buildings and obtain a full prioritization for the remaining buildings on the Island. Possible "extra" money might be available to do more painting if the South pool repairs are not as excessive as initially budgeted. Also budgeted power washing expenses for the Aruba building could be saved and applied to this effort.

Tower Inspection

Restoration Engineering, along with Classic Exteriors, did an intrusive inspection for wood rot and other damage in 3 stair towers. These were the North tower of Cayman, the West tower of Hawaii and the West tower on Oahu. Their findings were provided in a comprehensive report dated 10/12/07 and sent to OCREM/Eugene Jubber. Copies of this report were shared with the board members.

Wayne advised the Restoration Engineering recommendation report has been provided to Mike MacDonald of Classic Exteriors. Mike will review the report and provide a cost analysis to the board. Expecting work will be necessary, it was noted if any stair tower is made impassible, the local Fire Dept. must be notified. Also Ocean City requires a permit for any work exceeding \$500. It is unclear if construction drawings are available for review. Wayne will continue to manage this project.

Sink Holes:

The film taken by Atlantic and their report is not yet available. Barbara Taylor at OCREM was coordinating this and we need an update from her.

Closure of North and South Pools

The water in the North pool has been lowered; the South pool will be done by Atlantic Aquatech as part of their investigation. However, the pool furniture and umbrellas at both pools is still sitting out. RipTide has been notified twice to complete this task. Lou will follow-up along with OCREM.

Hot Water Tanks/Washer Hose Replacement:

Carol Ann received a list from Barbara/OCREM of current units not yet in compliance with this program. It is unclear at this time if the list is just hot water tanks or combined with the washer hoses. Further, the impact of units that can not be verified due to no key access remains a concern. Lou will follow-up with OCREM.

It is anticipated we will again this year do a Winterization validation of each unit. We need a cost estimate from OCREM for this project. The first inspection will be the beginning of December with future inspections in January and February. During the December inspections a re-verification of water tanks and washer hoses can be completed. Lou will contact OCREM for the cost estimate.

Finance Report:

Mark reported currently we have no money. The September 2007 Profit & Loss report shows a deficit of (\$113,766.82). Our Net Income for this same period is also negative (\$229,996.07). This is due to the building repairs now being included.

Wayne advised legal council concluded the board was within its management rights to enter into the loan currently being used for the major repair expenses. It was undertaken as a Board of Director joint decision, not an individual's choice. Also the owners were notified during the 2006 Annual Owners Meeting that the Board was planning to secure a loan for this project.

At the end of September, 2007 the Reserve Fund shows a balance of \$495,138.45. Two CD's, valued at \$102k, are locked up now and these funds are not accessible. The current debt on the loan is \$269,579.54. Two other CD's can be closed without penalty. Wayne will determine what is available in cash to pay off the loan and will advise Mark. Bob Moore will also be engaged. Mark will send a check once this payoff plan is finalized. Marie suggested the financial report should list the various CDs held and amounts.

A motion was made to pay off the Sandy Spring Construction Loan, after a final report on cash availability, with consideration of the CD termination penalty versus the loan interest paid. Lou made the motion; Marie seconded it. All voted in favor. The goal is to make the final loan payment effective November 1, 2007---the date of the next payment.

In conjunction with the above motion/decision to pay off the loan, contributions to the Reserve Fund will be re-started immediately thereafter. The 2008 annual budget needs to be amended to reflect the above. **NOTE:** Mark counseled with Bob Moore after this meeting. Bob advised the original budget document as approved by the owners at the Annual Meeting must be kept in place. Carol Ann will inform the owners of the loan payment and reserve funding changes in the Cover Letter to be sent with the Owners Meeting Minutes.

Carol Ann will respond, with the above information, to the letter sent by Don Stout. The response will be shared with and reviewed by the board prior to mailing it.

Susan Moore advised several owners are not paying monies due. One owner deducted money (\$22.05) for screen door damage by a repair person. Two other owners are refusing to pay for the carpet cost on the private rear decks. Notice of this planned work was made to all affected owners. No contact debating this plan was made, only an after the fact refusal to pay. It was agreed we must have consistency in our dealings with owners. Wayne will have our attorney draft a letter to these owners requesting payment. If they do not make payments, a lien will be applied to their units.

Set-Up Committees:

The following board members will be lead for committee efforts. IF owners are willing to join this effort, they will be encouraged to do so.

General Maintenance ---- will be shared by Wayne (major projects) and Lou (day to day)
This also includes Pool, Tennis Court, Volley Ball Court

Web Site --- Carol Ann will work with Marlin Newell who has agreed to maintain the current website. She will investigate with Eugene Jubber for details of a protected, condo association designed web site as a possible alternative in the future.

Landscaping: Marie agreed to take this on as it relates to trees, shrubs and other materials. She will work with the same vendor used in the past, if he is still available.

Budget/Reserve Fund Study Update: Lou will investigate the cost to update the 2003 Reserve Fund study. Given the recent updates and work done on nearly all major elements of this study (all except the parking lot), this cost expense might not be warranted at this time. CPI could be applied to the previous study to bring it in line.

New Business:

Owners Meeting Minutes/communication package

Carol Ann provided a quick review of the above documents and some planned corrections. After the final updates are made, the documents will be re-distributed to the board for final review. They will then be handed off to OCREM for printing and distribution. OCREM will make no additions/changes to the approved documents.

Wi-Fi service capability on Island

Carol Ann shared a draft owner survey to see if enough owners feel Wi-Fi service is desired. A quick scan showed 64% of owners appear to have email addresses but how many of them actually use the Internet while on the Island is unknown. Given the anticipated poor survey response, it was decided to table this item.

Recycling Dumpsters and pads

No update was available from OCREM at the time of this meeting.

Dates for Future BOD meetings

It was decided the next BOD meeting will be on Saturday, November 17 again starting at 9am. We will skip a face to face meeting in December; if information sharing and/or decisions are required in December, we will hold a conference call.

Meetings in 2008 are planned for the third Saturday of the month in the "Sales Office" starting at 9am. The following dates should be held for meetings, subject to change:

January 19, 2008
February 16, 2008
March 15, 2008
April 19, 2008
May 17, 2008
June 21, 2008
July 19, 2008
August 16, 2008

Walk on Items:

John advised the awning on the Hawaii building is ripped and will need to be replaced. It was noted this is the last original awning on the Island. An estimate of the replacement cost must be obtained. We anticipate not replacing it until the Spring of 2008 due to potential Winter weather damage.

Wayne agreed to have copies of keys to the Sales Office made for board members.

We need to remind OCREM of the need for additional No Trailer Parking signs.

Given no more new business, a motion was made and approved to end the meeting. The meeting adjourned at 12:30pm

Respectfully submitted,
Carol Ann Bianco, Secretary