

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

**June 21, 2008 – 9am
Meeting Minutes**

Board members in attendance: Wayne Keeler, Lou Engle, Marie Henderson, Mark Hannahs, Steve Schnell, and Carol Ann Bianco

Wayne Keeler called the meeting to order 9:03 am in the Sales Office on the Island.

Day to Day Project Status:

Awnings

Marie informed the board her latest status information from Canvas Experts is as follows:
--Hawaii awning is now installed although it is installed on the old support structure. The new down rods should be installed by July 9.

--Three sections of the new Dominica awning was to be installed by 6/20 with the remainder (4 more sections) up by July 9.

Note—as of 6/20, 1 section was observed in place; 1 more section as installed on 6/23.

Painting:

Carol Ann advised most of the painting on all three buildings is now finished. There is some rotten wood yet to be replaced which will require the second coat of paint to be applied by Moore Painting.

Marie asked that Moore Painting be reminded to paint the crawl space doors on the buildings when the foundation painting is being done. Carol Ann will pass this on to OCREM.

Misc. Painting:

It has been confirmed with Ed Moore that he needs to paint both the gas and electric meters when he does the foundation painting.

Mailboxes:

Carol Ann informed the board that OCREM has 2 new mailbox pedestals on order for the mailboxes near the Dominica building. Once they arrive, Accelerated will install them.

Sinkholes:

There are two sinkholes on the dock side of the property, near Cayman and Dominica, needing immediate attention. Steve suggested these need to be filled with pea gravel at least on a temporary basis. Marie added if top soil to cover the surface is needed, there are some old bags of topsoil stored in the gatehouse. OCREM will have Adam Dunning/Irrigation take care of these.

South Pool:

Marie advised the new plaster looks good however the finish detail work is poor. Wayne noted the foundation walls are still wet. This moisture problem is preventing the painters from finishing to paint these walls. [OCREM was notified to investigate both issues.]

Punch list:

Barbara said the items on the punch list are moving along. Carol Ann requested an updated status and will connect with OCREM shortly.

Sprinkler System

Adam Dunning/Dunning Hardscapes has begun work to investigate and repair the sprinkler system on the Island. Thus far he has repaired the broken water line to the front entrance area. He also installed a new panel on Kauai and determined Lanai and Maui were not turned on by Sposato –he then activated them.

Several efforts to locate the supply line valve behind Cayman have been unsuccessful to date. If Adam can not locate this switch in the next week, he will install a new line there. [Note—the switch was located – in the grass area – and the sprinklers are now working on the rear as well as on the south side of Cayman where new sod was recently laid.]

Adam plans to re-check the type of sprinkler heads installed on Aruba, Bermuda and Cayman and may change them out to a different type to better reach the new plantings there. He is also checking the sprinkler heads installed at the tennis court and will modify as needed. Further work on the system will continue over the next weeks.

Address, Private Property, No Skateboarding signs

The alpha letter signs we ordered for each building have arrived; OCREM will engage Accelerated to install them. A few of the old wooden signs that are salvageable will be stored in the gatehouse until a final decision on how/where to show the property address.

We do have a Private Property sign installed at the front entrance area. It may not be effective however due to its placement, color and proximity to other signs in same location. We decided to install a second Private Property sign that was recently ordered. This one is red and white and will be located on the right side gatehouse area for better visibility.

A NO Skateboarding sign has already been installed just past the Sales office building.

Cleaning service performance

Several board members feel the cleaning service performance is marginal at best. It was noted cleaning is not occurring on the dock side of the property. This is especially noticeable near the Dominica building due to geese resting under the plum trees and making a mess on the docks in this area. It was also stated the tennis court, volleyball area and townhouse walkways are not being cleaned adequately. Strong opinion was expressed for the need to have the building hallways vacuumed. This was a board request in our last contract negotiation but was nixed by the vendor.

Lou also questioned our need for the number of days cited/paid for in the current contract. He felt that especially in the winter we could save money by cutting this back

It was decided a meeting with Resort to Us, OCREM and a board member should take place in the near future to review the above failures to perform.

Pool Cleaning Performance:

Marie observed the skimmers full of debris, the trash cans are not emptied daily and not all the pool furniture has been put out for owner use. Lou said the pools are not vacuumed daily. We have consistency issues with Resort to Us.

[OCREM was informed of these concerns following the meeting.]

Marie noted the gate lock assembly on the south pool is separating.

[Note: Jim Henderson repaired this early the following week.]

Carol Ann advised the gate lock on the north pool does not latch properly.

[This was referred to OCREM to engage Accelerated for repair.]

Owner Issues:

328-Dominica: Repairs to this unit are complete. New carpet has been installed

228-Dominica: Exterior repairs have been completed by Triangle. These included replacing a header board as well as the exterior sheathing and insulation. The possibility that the ceiling leak was coming from the sprinkler system was tested and found not to be the cause. Interior repairs will be completed in the coming week.

310-Bermuda: The board re-discussed the carpet damage to this unit due to recent repair work to correct water leaks to the unit below. Since this unit has the newer carpet type, the board authorized a patch repair (only) to the rear deck.

350-Maui: Lou confirmed these repairs are complete.

112-Bermuda: Barbara said Jack Young addressed the water leak on the front deck area. We need to verify if the rear deck problem was addressed yet.

348-Lanai: This owner has damage to their front deck in front of the slider (end unit) due to repairs done by Classic Exteriors. They also have carpet that is coming loose at the seam to the hallway and their deck carpet. The board authorized patch repairs to be made.

319-Cayman: Owner sent a compliant for 2 items. The rear deck exterior electrical outlet was not re-sealed following water leak repairs that were made by Classic. This allowed water to infiltrate into the unit and stained the interior molding. They also have damaged rear deck carpet from the same repair effort. The board authorized the electrical repair. OCREM had alerted the owner to the planned carpet replacement to the entire building next spring and they agreed to wait until then so long as financial allowances were made.

New business:

Tennis court:

Marie described the condition of the tennis court and advised we need to consider replacing it next year. She said she would get a cost estimate from P & A Engineering who had looked at it a few years ago. The board requested OCREM obtain 2-3 more quotes for a new tennis court construction.

Prep for Annual Owner Meeting:

Carol Ann discussed that the time to start some of the preparations for the September Annual Owners meeting is upon us. The nomination form for next year's board members needs to go out in the next few weeks. A cover letter describing the commitment and expectations was suggested by Marie. Carol Ann will draft this cover letter and send to the board for approval prior to distribution to the owner community.

Bid Status:

Bid for building painting in 2009:

We have 3 buildings potentially needing to be painted next year. These include Bermuda, Cayman and Lanai. OCREM has already been requested to get quotes from Moore Painting in time for our 2009 budget preparation.

Bid for re-carpet in 2009:

We still have 3 buildings with the old carpet material. The board already committed to replace the Cayman carpet in the spring of 2009. The other two buildings potentially to be re-carpeted are Aruba and Dominica. OCREM is already obtaining quotes on all three buildings from Keenwik as well as Donaway.

Bid for Stair Tower repairs:

The board already committed to repair the Cayman south stair tower. Steve recommended this work be done in either late fall or very early spring so as not to hold up the carpet replacement and painting. We deferred the repair to the Hawaii east tower earlier this year and know there is trouble in the Oahu east tower also.

Given the two completed stair tower repairs from earlier this year, we are now committed to replacing all other stair towers interior walls with vinyl siding. Carol Ann will advise OCREM to obtain quotes for this work from Classic Exteriors, Triangle Construction and a third vendor.

Finances:

Mark confirmed we all received this month's financial reports directly from Moore & Co. This included the Profit & Loss report comparing 2008 budget projections versus 2008 YTD budget actual numbers. Discussion followed on several budget items that have not yet shown expenses charged to them.

Mark said he and Wayne will work with Moore & Co. to prepare our 2009 Operating budget. They will have it ready for full board review at our next meeting. This budget will need to be distributed to our owners as part of the annual meeting package.

Our insurance coverage renewal negotiations and dialog took place earlier via email. The building coverage value was increased and we reduced our annual premium at the same time.

While the entire insurance industry is in turmoil, Mark verified with our insurance company claim managers that our insurance coverage remains as “single-entity” coverage. It was decided Carol Ann should draft an update letter to our owners informing them of this so they can respond back to their insurance agents on the association policy.

We also noted while the MD state law increases the owner liability to \$5000 of the association’s deductible, per the language of our By-laws, ours remains at \$1000. Marie made a motion and Wayne seconded it stating the board would not to seek a by-law change to increase this owner liability. We will instead keep it at \$1000. This motion was unanimously passed.

We still have two outstanding invoices from recent repair work. The last invoice from Classic (for 328D repair) is waiting for a detailed breakdown of cost elements/charges. The board also felt the cost of several recent repair jobs should be deducted from this invoice as they resulted from damage done during Classic’s repair work. No action will be taken at this time. The second outstanding invoice is from REI for the report of their findings on the Hawaii stair tower repair. We are waiting for a revised invoice noting this reason before moving forward on this one.

Items from the floor:

Property abuse by non-owners:

Several reports of trouble in the past few weeks (esp. Senior Week) were reported. These include non-owners and non-renters in the pools as well as non-owners/renters using the tennis court. They were by-passing the tennis court lock by forcing their hand through the chain link fence. [Note—Jim Henderson installed metal plates around the key pad lock to prevent people not knowing the access code from entering the tennis court area.]

Pool season:

An owner queried whether a pool would be open through Sunfest weekend (9/19-21) this year? The board felt we first needed to determine the cost involved before making a decision. NOTE: Carol Ann checked the pool service contract and found our “normal” season per the Resort to Us contract runs until Monday, September 15. So to extend it through Sunfest weekend (also same weekend as annual owner meeting) we would need to pay for one additional week. Using the contract rates, the cost for a one week extension (one pool only) is estimated between \$210-217. An email vote was taken the following week and unanimous approval was reached to keep the north pool (only) open until September 22. OCREM was notified to alert Resort to Us-Pools of this extension request.

Fire Protection:

OCREM notified us during the most recent fire system inspection by Sure Fire Protection Services, they found 2 horns on Maui and 1 on Oahu not working. These were immediately replaced thus preventing a report to the Fire Marshall.

Building fire water connections:

The Fire Marshall informed OCREM that we do not have clear access available to the fire personnel to reach the water connection pipes on several of our buildings. We requested OCREM have the Fire Marshall tell us which building(s) are not in compliance. Then we will address any plantings blocking their access.

Sun shades:

Marie received a request from an owner in Dominica seeking permission to install a sun shade to block the afternoon sun from their deck (south facing). The board was not comfortable setting the standard for a sun shade to be the make/material as requested from this owner. No decision was made at this time.

Wayne closed the meeting at 11:15am.

Respectfully submitted,
Carol Ann Bianco, Secretary