

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

**August 17, 2008 – 9am
Meeting Minutes**

Board members in attendance: Wayne Keeler, Lou Engle, Marie Henderson, Mark Hannahs, Steve Schnell and Carol Ann Bianco; Barbara Taylor/OCREM also present

Wayne called the meeting to order 9:05 am in the Sales Office on the Island.

Day to Day Project Status:

Awnings

Installation of the new awning support structure on the Dominica building and the new down rods on the Hawaii building are both finally finished.

However it just discovered the estimate for the new Dominica awning structure was never shared with the board. This estimate, now an invoice, amounts to a substantial amount of Reserve Fund money. It reflects a considerable number of labor hours for cutting, welding and installation. While the finished job is satisfactory, the board requested OCREM to question why the high number of hours bid. Also, OCREM was asked to pursue having Canvas Experts clean up the siding and carpet on the third floor of Dominica that was stained during their removal of the old awning structure.

Painting- Misc. Items:

Moore Painting finished painting the gas and electric meters. OCREM inspected the completed work and found it satisfactory.

An outstanding painting item is a portion of the south pool foundation walls that can not/have not been painted due to the continuing water leak on the side wall of this structure. [Investigation as to the source of this leak will commence once this pool is closed for the season.]

OCREM also noted Moore Painting completed a few tasks for the Island at no charge. These include the Hawaii hand rail that did not hold up well from last year's painting as well as the Cayman north stair tower that was impacted by the recent repairs there.

South Pool:

a) Deck surface: Marie and Carol Ann met with Bob Freeze/Atlantic Pools on 8/15 to discuss the "finished" work on the south pool from the repairs made in the spring. Bob agreed the job should have been done better and agreed to cut in expansion joints in the new concrete around the skimmers. He also agreed 1 coping tile near the steps was poorly finished. Bob indicated this work could be done early in the morning before the pool opening time and said he would have it done the following week.

b) Foundation wall: Lou reviewed his meeting with John Jarvis from the month prior about the water seeping through/over the foundation walls of the south pool. John said the pool itself is not leaking water. He said the deck joints should have been tighter when past work was done to the deck surface. His suggestion to install two drain pipes with weep holes was discussed. Concern was also expressed if the sprinkler system had any impact to this issue. Again, no decision was made at this time except that testing should be performed after this pool is closed to owners.

Lastly it was noted chunks of concrete have fallen off the end corners of the pool foundation walls in several locations. We will request a repair estimate for these once the foundation water leak issue is resolved.

Vendor performance concerns:

---Cleaning service performance

Marie noted we continued to have bad results with Resort to US-cleaning. A few items of concern were the bills for “extra” work performed (not requested by us) as well as the vendor’s refusal to vacuum the hallways or use a blower on other areas of the property.

Marie made a motion to give Resort to Us-Cleaning 30 day notice of cancellation of the contract. The motion was seconded and approved by all board members in attendance.

[Note: OCREM did send the cancellation notice on 8/18/08. Following some discussion with Resort to Us personnel, they requested the effective end date be 8/26/08 stating they have already been paid through that date. The board agreed.]

Owner Issues:

328-Dominica: Triangle installed the recommended soffit around the exterior of this unit to prevent further leaks to the unit below.

112-Bermuda: Triangle was brought in to investigate the rear deck wall leaks on this unit. After pulling back the carpet on the deck above, he found the flashing was not sealed. Proper repairs have been completed.

319-Cayman: Slade Contracting completed the necessary repairs to the outside electric outlet and related interior unit damage repairs.

July 4th storm leaks:

Carol Ann summarized the information shared in a conference call earlier in the month with Wayne and Mike McDonald/Classic Exteriors. Mike expects the caulk and screen door track cleaning he completed during the investigation of units Hawaii 333, Lanai 248, 346 and 348 and Oahu 366 solved those problems. He did not charge us for these. This left us with continuing water leak issues for unit Maui 350.

Two bids were obtained to repair Maui 350. Also the original contract with Classic Exteriors for the extensive 3rd floor repair work completed in 2007 was shared with all in attendance showing the original scope and warranty of that project.

Classic bid a material only cost to repair unit M 350 now citing his plan to loosen the owner awning (not remove it as originally discussed). [Wayne commented per Mike if he got the stair tower job, this repair would cost \$0.] Another bid (material and labor) was obtained by OCREM from Triangle. Mark made a motion to accept the lower Classic bid which Steve then seconded. All agreed to this motion. The contract was noted when Wayne signed it that if any touch up painting was required, it would be completed at no additional cost. OCREM will obtain Classic's acceptance signature and then coordinate the work, at a time convenient to the owner.

161-Oahu: The interior leak around the fireplace was repaired by Triangle. He caulked the exterior of the unit above at the exhaust pipes for the fireplace and bathroom vents.

A concern then surfaced regarding Triangle's license and insurance. Wayne mentioned Triangle does not have a MD Home Improvement license. Barbara had already verified he does not need this license if he is not doing interior unit work which he does not do for us or anyone else. It was then suggested he raise his insurance coverage to \$1M per occurrence (probably be a minimal cost). Barbara will pursue this with Triangle.

[The insurance issue affects all contractors doing work on the Island. OCREM is in the process of verifying the proper levels of insurance are held or obtained by our vendors. If not, then other vendors will be chosen for future repair projects on The Island.]

New business:

Annual Owner Meeting:

Mark gave a check to Barbara for the balance due on our reservation of the OC Rec. & Parks conference room. The meeting agenda approval was completed via email earlier in the month. The complete owner package of material was mailed out by OCREM on 8/14/08 thus meeting our by-law timeline to share the proposed budget 30 days prior.

Discussion then followed of the procedure to be used during owner sign-in, proxy handling, voting process and such. The agenda was reviewed and assignment made to the responsible board member who will lead the discussion in the 9/20 session. Also aired were recent incidents of vandalism as well as concern of renter's use of the property.

Clean carpet on 3rd floor-Dominica?

As noted above, OCREM will pursue with Canvas Experts.

Two-wheeled, non-tagged vehicles:

OCREM will continue to monitor these vehicles on the property. Our Rules and Regulations prohibit the operation of such vehicles and should be enforced.

HVAC replacement systems—guidelines for owners:

Many owners are now finding it necessary to replace their HVAC system. However consistency on the height of raised platforms is a concern. Lou agreed to pursue the OC requirement with City Hall, including the requirements on raised pads.

Occupancy rules:

Lou obtained a copy of the OC regulations for number of people allowed to occupy a unit. It appears to differ from our published Rules and Regulations. We need to check our registered by-laws also. As with everything else, enforcement is the key.

Bid Status:

Revised bid(s) for building painting in 2008/2009:

From our discussion/decision at last months meeting, separate painting bids were obtained for each building to better control the progress payments. However due to an increase in the cost of paint, the revised bids came in \$400-\$600 higher. After a re-examination of the condition of the three remaining buildings, the prior month's decision was modified to instead paint Lanai this year, leaving Bermuda and Cayman until next spring. Wayne signed these three contracts noting the time windows on each one.

The decision to have a building checked for rotten/bad wood was reinforced. This will allow a cost estimate to be approved and that repair work completed prior to the actual painting started, thus eliminate the overlap of efforts between the two vendors. The plan for Lanai is to obtain multiple bids with the wood repairs to commence after Labor Day and painting to start after the Owner Meeting (9/20/08) and finish by the end of October.

Bid(s) for re-carpet in 2009:

OCREM shared three bids obtained to carpet the Cayman building in 2009. The cost variance is still a concern so OCREM was tasked to verify the bid specs with the latest vendor (Homework's) as well as obtaining references for other jobs they have completed.

A unanimous decision was made that, in keeping with past practices, all owners will pay for the new carpet on their private decks (front and rear). This applies to all buildings.

The board agreed to defer the re-carpeting of Aruba and Dominica to future years.

Bid for Stair Tower repairs:

Two vendor bids were received to repair the stair towers per our bid specs. Both vendors quoted the same cost regardless of which stair tower was cited. The bids were reviewed with the decision to repair Cayman south stair tower in the fall of 2008. Mark made a motion to accept the lower bid from Classic Exteriors; Steve seconded it. This motion passed with 4 votes in favor and 2 votes against. The other stair tower work is deferred to a future date and vendor selection.

Tennis court:

The board reviewed the three bids to replace the tennis court. Given the rising cost of petroleum products, the quotes are higher than initially estimated. After discussion, Lou made a motion to accept the bid from Mid-Atlantic Sports pending further negotiation on cost and recommended time frame to do the work. Mark seconded this motion. It was approved with 5 votes in favor and 1 vote against. Marie will pursue the above caveats with the Mid-Atlantic representative.

Electrical:

OCREM had obtained a bid from SENS Mechanical to re-place the buildings 2 GFI breakers as well as all walkway receptacles. These would include new weather proof covers and replace the boxes for receptacles if needed. This bid was set aside with the decision to address troubles identified on an as needed basis.

Finances:

Mark advised we ran “short of money” in July due to the painting costs but are fine year to date. He also shared a concern with an \$11k insurance item noted in the latest report and said he would check this out with Moore & Co.

The Reserve Fund is doing fine. Current balance is \$204k with continuing in-flow of money each month from the owner condo dues.

As was cited above, all board members agreed Cayman carpet replacement cost to be borne by the owners for their private decks, same policy as for all other buildings.

It was discussed for future contracts the board needs to do a better job in negotiating the payment terms when finalizing the other contract service elements.

A motion was made and passed that extraordinary expenses incurred by the board secretary, i.e. print cartridges and paper are to be reimbursed from association funds.

Items from the floor:

Marie said there is a new sinkhole starting on the bridge. Barbara advised Triangle plans to do a full property inspection after Labor Day and then start those repairs as approved earlier.

Future contract items that will soon need attention include the following:

- winter heat inspection of units—need to select a vendor to perform
- grass cutting contract (our current one expires end of 2008)
- lighting contract (our current one expires 11/1/08)

Lou made a motion which Marie seconded to adjourn the meeting at 12 noon.

Respectfully submitted,
Carol Ann Bianco, Secretary