

Harbour Isle at Hutchinson Island
East Condominium Association

Board of Directors Meeting Minutes
June 15, 2009 at 6:30 p.m. (LEGAL MEETING)
June 15, 2009 at 7:30 p.m. (Regular Board Meeting)

The Legal Meeting was held in the Manager's office with John Murphy, Lee Lassiter, Gary Whigham, Robert Schuessler, Lynn Sloan, Esq. of the Harbour Isle East Board of Directors and Kevin Henderson, of Evergreen Engineering. Deborah Ross, Association Attorney present via teleconference. Also present were Annette Sanniota, Manager and Maria Lassiter, Administrative Assistant representing Bristol Management.

II. Discuss procedures for water intrusion investigation with input from Association Attorney (via teleconference) and Engineer (in person). It was decided the Board would appoint a committee of two consisting of Lee Lassiter and Gary Whigham to meet with Mason Simpson informally, without counsel present. This meeting would also include Kevin Henderson, Evergreen Engineering and Mason Simpson's contractor. The scope of this meeting would be for the Association's engineer to present his findings and note what Mason Simpson would agree to do relative to the water intrusion issue. No formal settlement may be done at this meeting – any formal settlements must be approved by the Harbour Isle East Board of Directors at a properly noticed meeting.

The Legal Meeting adjourned at 7:15 p.m. (The Regular Meeting will commence at 7:30 p.m. and will be located in the Harbour Isle East Clubhouse).

I. Call to Order: John Murphy called the meeting to order at 7:30 p.m. All board members were present: John Murphy, Lee Lassiter, Gary Whigham, Robert Schuessler and Lynn Sloan, Esq. Also in attendance were Manager, Annette Sanniota and Administrative Assistant, Maria Lassiter representing Bristol Management.

John Murphy welcomed Lynn Sloan, Esq. to the Harbour Isle East Board of Directors and thanked her for sharing her time and experience with the community.

III. Motion to approve resolution that the Association is obligated to respond to one written inquiry per unit in any given 30 day period and that any additional inquiry or inquiries (From the same owner) will be responded to in the subsequent 30 day period or periods as applicable. Motion made by John Murphy, seconded by Lee Lassiter and passed unanimously.

IV. Approve Meeting Minutes of May 18, 2009 Board of Directors Meeting: Robert Schuessler moved the minutes be approved as presented and noted they are posted on the website, Gary Whigham seconded and motion passed unanimously.

V. Treasurer's Report: Gary Whigham reported the Association is in good condition (see report attached). Cash on hand as of May 31 is \$224,884.15. Lee Lassiter made a motion to approve the Treasurer's Report as presented, seconded by Robert Schuessler and passed unanimously.

MANAGER'S REPORT
June 15, 2009
BOARD OF DIRECTORS' MEETING

1. SALES AND LEASE REPORT: (Report from March 18, 2009 through June 15, 2009). Six resales, with prices as follows: 1 unit at \$142,000, 1 unit at \$150,000, 1 for \$165,000, 2 at \$190,000 and 1 at \$230,000. 11 annual leases, 3 seasonal leases, 2 continuation (extensions). Average rental monthly rates (annual) are ranging between \$1000 to \$1200. Average rental rates per month for seasonal leases ranging from \$1400 to \$2250.
2. WATER INTRUSION INVESTIGATION: The Board of Directors is meeting with the Association Attorney and Engineer to discuss the next step in this investigation.
3. FERTIGATION INSTALLATION: The fertigation system has been operational for a few weeks now. This system was designed to work in conjunction with our irrigation system to stabilize the PH levels in the water coming from the city. As is evident, especially with the consecutive weeks of rain we have had, the lawn appears to be reacting nicely.
4. FORECLOSURES UPDATE: As of this writing, the Association has 15 foreclosures and 1 bankruptcy. Of those, 2 are pending which will result in a substantial collection for the Association.
5. SUMMER PROJECT: The HIE Maintenance staff is continuing with the pressure cleaning schedule of two buildings per week (weather permitting) and has commenced painting the white EIFS cap where needed. We are currently on building five and have completed 38, 37, 10, 8, 7, & 6.
6. CABINETS: Diane Mann has indicated the Developer is nearing completion on the West for cabinet caulking and reinforcing. They intend to begin on the East within the next month. This work would be scheduled directly through Diane Mann's office.
7. ROOF WARRANTY LEAK REPAIRS: It is our practice to inspect each attic for roof leaks after heavy rain events. Latite Roofing was on the property last week and conducted all repairs. We have photos of the repairs in addition to the roof truss plans per building, showing where the leaks were found. This work was done at no cost to the Association and is classified as warranty work.

VI. Manager's Report: Annette Sanniota presented the manager's report (attached). Lee Lassiter made the motion to approve the manager's report as presented, seconded by Robert Schuessler and passed unanimously.

VII. A. New Exercise Room Carpet: Due to the poor condition of the Exercise Room and manager's office carpeting, the Board is being asked to approve new carpet installation. We previously enlisted the assistance of the Architectural Committee to approve a color selection. Two proposals were received on carpeting and several received on other types of flooring (i.e. recycled rubber matting, vinyl tile, etc.) which were all cost prohibitive. Lee Lassiter made the motion to approve an expenditure not to exceed \$4100 for labor and materials for new carpet replacement in both the Exercise Room and manager's office, seconded by Robert Schuessler which passed unanimously.

B. Motion to Eliminate Building Representative Status: Building Representatives were originally appointed when the Association was new to assist with communication to owners. With the current technological developments including mass emails and the utilization of all building bulletin boards to post Board meeting and Board workshop notices, the need for Building Representatives has diminished. Lee Lassiter made the motion to eliminate building representative status, seconded by Robert Schuessler and passed unanimously.

C. Review Clubhouse Application Form: This subject was tabled for further investigation.

D. Discuss Possible Installation of Pond Fountain: This subject was tabled as Gary Whigham will be viewing various fountains and reporting back to the Board. It was also suggested this item be added to the 558 filing.

E. Approve 2008 Draft Audit from Hafer and Company: Robert Schuessler made the motion to approve the 2008 Audit draft as presented from Hafer and Company, seconded by Gary Whigham and passed unanimously. Annette stated after the Audit is finalized, a copy will be available to all unit owners upon request and a notice will be placed on the bulletin boards and Harbour Isle East website.

OPEN FORUM: A homeowner requested the pool be kept open until 10:00 p.m. seven days per week. Robert Schuessler made the motion to amend the pool hours to stay open until 10:00 p.m. daily, seconded by Lee Lassiter and passed unanimously.

VIII. Adjournment: Lee Lassiter made the motion to adjourn, seconded by Gary Whigham, and passed unanimously. The meeting adjourned at 8:12 p.m.

Respectfully submitted,

Annette Sanniota, LCAM
On Behalf of the Harbour Isle East Board of Directors