

HIGH BAR HARBOR YACHT CLUB CONDOMINIUM ASSOCIATION, INC.
MINUTES OF BOARD OF TRUSTEES MEETING
Monday, November 13, 2006

The meeting was held via teleconference and started at 7PM.

Trustees Participating: Rich Ericsson, Hugh Gray, Ed Meline and Mark Miller

Absent: Jay Keough (last minute change in conflicting business schedule)

It was agreed that Ed would prepare Minutes and send to all other Trustees, who will make any corrections, as appropriate, prior to publishing the Minutes on the HBHYC.com Website and sending them via Email to all Owners who have provided such addresses.

I. Actions Since the Teleconference on 10/31/06 and the one on 11/13/06:

A. The Trustees shared a number of Emails regarding the budgeting process, Staff projects and Agenda Items for future meetings. Rich, Mark and Jay have commenced the discussions with Staff that are required to define the upcoming projects that will be presented for Board approval. All agree that timing is critical, if the projects are to be completed effectively during the off-season. The projects will be discussed in detail at the next Board Meeting scheduled for 11/18/06 at the Clubhouse.

B. Ed reviewed and edited the Lease Agreement between the HBHYC and Tenants. It was reviewed by Rich and forwarded to Monica for use with 2007 Tenants.

C. The Board voted unanimously to invite Sam Alloway, Mike Drago and Roy Rapp to a luncheon meeting on 11/18/06 with the objective that they would brief the Board on their perceptions as to possible future activities of the Board which could best benefit the overall operational, financial and administrative aspects of the HBHYC.

II. The Agenda for the Teleconference had been established as follows:

- A. further discussion of the 2007 Budget
- B. updating of the new Board Trustees by Hugh and Rich of any issues that developed prior to the Referendum Election and were still pending.
- C. finalization of the timing and Agenda for the 11/18/06 Meeting.

III. 2007 Budget-

A. The Board made a few revisions to the P&L Spreadsheet-3rd Pass and agreed that the 4th Pass will be considered for final approval at the 11/18/06 Meeting.

B. The Trustees agreed that the Budget for 2007 should be finalized on 11/18/06 in order to establish the Quarterly Condo Fees which will be billed in early 12/06.

C. All agreed that there are potential areas that must be further examined for potential revenue enhancements and/or cost reductions, but that we had enough data now to set a meaningful Budget that will result in no change to the Operating Condo Fees at this time.

D. Every effort will be made to examine potential areas for improving the overall "bottom line" with the intent to decrease Condo Fees with no loss of services or amenities. A major objective will be to continue to improve the Marina in areas which are essential for the protection of our investments.

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E. Revenue-we will discuss the possibility of charging for Pump-outs on 11/18/06.

F. Monica will print out the details of what was charged in the Maintenance categories during 2006, so that we can possibly fine-tune the 2007 budget for Maintenance on 11/18/06.

G. Hugh will update the Spreadsheet and provide the 10-year Capital Budget, which will need to be updated after 11/18/06 to reflect approved Capital Projects. This will not affect Condo Fees.

III. Updates

- A. The Board went into an Executive Session at this time, since it was felt that confidential and sensitive issues might be discussed. The Board is very committed to the overall objective to maximize transparency to the Owners to the most appropriate extent possible; however, the Board fully realizes that there will be discussions that will have to take place in an Executive Session. Minutes of such Sessions will be prepared, but will not be included in the regularly published Minutes of the Board's Meetings.
- B. Hugh and Rich provided updates regarding Staff and Legal issues that are still pending. It is noted that a large, outstanding receivable for past Condo Fees was resolved and fully collected, including associated legal fees.
- C. It was agreed that we would seek out a law firm to counsel the Board on some issues pertaining to the Fair Labor Standards Act. If any Owner has a recommendation in this regard, please forward via Email to the Board (Email addresses are posted on the HBHYC.com website)

IV. Agenda for 11/18/06 Meeting will include:

- A. Starting at 10:30 AM
- B. Determination of Officers and discussion of Committee Members
- C. Staff arriving at 11:00AM-discussion to focus on upcoming projects with the objective of approving specific projects for implementation.
- D. Final Approval of 2007 Budget.
- E. Other topics to be addressed as noted above

V. Other

- A. We have approximately 12 broken meters that did not record any electric usage during the last quarter (meters are read once per quarter). Monica is preparing a summary of last year's electric usage of the slips where the meters failed, so that appropriate billings can be made for these slips. We still have to conclude on a standard policy for billing when meters fail, since it is expected these instances will continue to occur.
- B. Staff has requested schedule changes for the winter months. The Staff hours will be finalized at the Meeting on 11/18/06.

The Meeting was adjourned at 9:20PM.

Note-the Teleconference was made using a free service recommended by Tryg Dahl. It worked very well and it is suggested that all Committees check with the Board to use this service as they conduct Teleconferences. Thanks to Tryg and the Communications Committee for the suggestion.