

**SCHOONER BAY CONDOMINIUM ASSOCIATION
ANNUAL MEETING OF THE COUNCIL OF UNIT
OWNERS' MINUTES
THE PALMS AT PELICAN COVE
LA GRANDE PRINCESSE, ST. CROIX, USVI
APRIL 16, 2011 @ 9:16 a.m.**

The annual Schooner Bay Condominium Association (SCBA) meeting was called to order by Board President Tom Yaegel, who chaired the meeting. After signing in, attendees were given a packet of information, including the agenda.

After opening remarks and the introduction of the Board and Ken Porch, General Manager, the purpose of the meeting was discussed to elect two Directors for a two-year term or until their successors are elected and qualified; and to transact such other business as may properly come before the meeting or any adjournment thereof.

Susan Nissman-Coursey presented the Notice of the Annual Meeting. David Johnson reported the number of units eligible to vote at this year's meeting was 78%. Therefore, a quorum was present and it was determined that the meeting was deemed legal.

2010 ANNUAL MEETING MINUTES: Tony Mabbatt made a motion to dispense with the reading of said minutes; Charles Jones seconded. Motion passed unanimously. However, Thaddeus Posey asked for his name to be corrected in the minutes. Thaddeus Posey, not Carl Posey.

REPORT PRESENTATIONS:

- **PRESIDENT'S** - Tom Yaegel presented his President's Report, which was included in owner packets. A brief overview of our property and bylaws was discussed.
- **INSURANCE** - Brian O'Grady presented the SBCA Insurance Overview, which was included in owner packets. Our insurance appraisal for replacement cost is approximately at \$9,000,000. We will be continuing the same coverage as last year. Expecting final quote by May 1, 2011. Liability limits to increase from \$1,000,000 to \$2,000,000. John Harper and Monica Perreira, along with Patsy Duvall from Marshall & Sterling were present. They were introduced and gave a favorable report about the insurance market. Discussion was had about what is and what is not covered in SBCA's insurance coverage versus individual owners' own coverage. Owners are urged to review their policies and review Association Bylaws to get a clear understanding of said coverages. Stan Smith, CPA, who has provided professional independent insurance services to the Association, gave an overview of the differences between the Association's policy and an Owner's policy. It is very important that each Owner have adequate coverage. It was discussed that flood-

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plains are being remapped for St. Croix. SBCA can certify elevation for mortgage companies. There is flood insurance in our master policy.

Norman Rouleau expressed to the Board and Owners that he feels that the Board has failed by not getting competitive bids for insurance. Would like to see more bids for next year.

- **LITIGATION** - Attorney Charles Lockwood from the Law Offices of Nichols, Newman, Logan & Gray provided a detailed overview of the history and current status of the property dispute and lawsuit pending between the Association and Tip Top Construction. Discussion was had, but because of the pending litigation, no details will be reported.

Ken Porch was asked to leave the meeting so employment issues could be discussed more freely. Discussion was had regarding employment agreements with arbitration clauses and bonuses. Each employee is required to sign an agreement.

- **TREASURER'S** - Brian presented his Treasurer's Report, which was included in owner packets. An overview our financial status was discussed. A comparison of Monthly Unit Charges for the years 2002 through 2010 was distributed. Capital Improvement Fund has eliminated the need to make any special assessments, unless there is some type of unexpected disaster. The Fund has been budgeted for the next five years. Profit and loss statement was distributed and there was a discussion regarding our delinquencies and our problems with certain units.

Tony Mabbatt discussed the tie between Bylaws and the Capital Repair Fund, Article IX, Section 2.

Norman Rouleau expressed his desire to have the financials given to the Owners in advance of the annual meeting.

Sharon Thayer had questions regarding director expenses, which were addressed by Tom Yaegel.

Tony Mabbatt presented the Bylaw Committee Report. Main points to include: term limits, date of meeting, delete reference to "Developer" and Board compensation. Tony Mabbatt made a motion to pass the proposed revision and Mrs. Sanpere seconded. All were in favor. The committee will send out to the Owners for comments.

- **SECURITY** - Tom Yaegel gave an overview of the Association's security. Cameras have been put in at the front of the property, along with a DVD recorder. Discussion

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was had regarding the difficulties of covering the whole property with surveillance cameras. Looking into other options. Security guards presence is at various hours each night. Discussion was had regarding possible issuance of stickers for people residing on the property.

Tony Mabbatt requested that a list be compiled of each owner and their contact numbers. A list was started and passed around. Norman Rouleau made a motion for the Board to compile a list of owners' telephone numbers; Sharon Thayer seconded; but then it was amended by Norman Rouleau to have names, unit numbers, mailing addresses, telephone numbers and email. Notice to be disseminated. Can opt out if desired. There was no second.

A motion was made for compiling a list of names, unit numbers, phone numbers with the approval of counsel; seconded by Mrs. Sanpere. Motion passed.

- **OLD BUSINESS** - The delinquent units and units tied up in litigation were discussed. The Board is making every effort to collect monies. Unit 220 has been repaired and is being rented.
- **ELECTION OF NEW OFFICERS** - Brian O'Grady explained the process and the function of David Johnson as our monitor for tallying votes. Norman Rouleau asked to have the proxy certified for next year. Norman Rouleau, Susan Nissman-Coursey, and Tom Yaegel gave a presentation to be elected. Having been no nomination from the floor, the voting was closed.

Final results were as follows: Susan C. Nissman-Coursey - 42.9904%
Tom Yaegel - 41.1212%
Norman Rouleau - 32.3984%

Susan C. Nissman-Coursey and Tom Yaegel were elected to the Board. They will join Brian O'Grady, Ed DeSantis and Joe Thayer on the Board.

- **NEW BUSINESS** - Open discussion was had regarding work being done on the drainage systems on the Courageous Building, repairs to the west pool, replacement of pool chairs and tables, possible turnaround in the parking area of the Courageous Building. Speed bump issues were brought up by Norman Rouleau to have some or all removed. The Board will look into it. Sharon Thayer moved to have them removed; seconded by Norman Rouleau. Was amended to have the speed bumps by the dumpster removed; seconded by Brian O'Grady. Discussion had. Passed in favor.

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Further discussion was had regarding the cargo ships that come into Gallows Bay Harbor. The lights and noise have been very disturbing to SBCA owners. Sharon Thayer offered to speak with the dock master and see if conditions could be improved.

Discussion was had regarding security bars.

With no other business for the body, Tony Mabbatt moved for the adjournment of the annual meeting; seconded by Brian O'Grady. Motion passed unanimously. The meeting was adjourned at 2:23 p.m.

Respectfully submitted,

Susan C. Nissman-Coursey
Secretary