

Schooner Bay Condominium Association
Annual Meeting Minutes
Saturday, April 29, 2006
The Palms

The Annual Meeting of the Schooner Bay Condominium Association was called to order by President Tom Yaegel at 10:45am. A sign-in sheet had been circulated and the attendees were given a packet of information including the agenda.

The purpose of the meeting was to elect three Directors to the Board for a two-year term and to transact such other business as may properly come before the meeting.

Tom Yaegel introduced the Board Members: Dorothy Bond, Secretary; EdDeSantis, Vice President; Paul Feilzer, Treasurer and Alf Lambrechts as Director at Large.

Dorothy Bond presented the Notice of the Annual Meeting and reported that the number of units and proportionate interests entitled to vote at this meeting was 56 units representing 92.772 votes out of 100. It was also reported that the number of units represented in person or by proxy at the meeting was 40. It was reported that the quorum required in the by-laws for a legal meeting was met and, therefore, Yaegel declared the meeting to be a legal meeting.

Suzanne DeSantis made a motion to dispense with the reading of the Minutes of the previous meeting, and to approve them as presented. The motion was seconded by Jack McDevitt. Motion unanimously carried.

Presentation of reports followed.

Tom Yaegel, President, made the comment that Schooner Bay is in good shape, that we have a committed Board and management team, that cash reserves are strong and that the number of delinquent units is at an all time low.

It was asked if we had any information about rentals. Tom reported that he believed long term rentals for a 2 bedroom unit were going for \$1,700 to \$2,200 per month in season. Three bedroom units are going for \$2,400 to \$2,800 per month in season. Short term rentals are somewhat higher. Joe Thayer said that Coldwell Bankers just did a study on rentals in the Caribbean which can be made available.

A website has been built. It includes such items as pictures, financial statements, Board Meeting Minutes. Insurance companies, realtors, owners, etc. can go on to the site and see that significant hurricane mitigation improvements have been put in place.

Major projects to be performed in 2006 include the refurbishment and repainting of building walls, galleries and rails. Greg Lindemann of Pro-Touch Painting gave a talk regarding his company's proposal. (Pro-Touch has been awarded the contract and a copy of their proposal is on file in the office). The cost is estimated to be \$90,000.

Discussion followed in re the fact that the galleries are considered limited common areas, as are the windows. As a practical matter we have included the galleries along with the regular wall repainting. and as it stands now, we will continue to do so. However, there was pro and con discussion as to whether this should be an Association cost or billed to the owner..

At this point Tom mentioned that Bob Davis would be working with Ken Porch to assist with problems.

Jack Ward of J & P Pool, Inc. clarified for the group what their company will be doing for both pools. Their proposal is on file in the office. Briefly, the approximate cost of \$8,000 includes new filtration, sanitation systems, tile removal, replacement and re-grouting. Discussion followed in re the Jacuzzi. It was noted that the Jacuzzi was difficult to keep up and that it was turning into a kiddie pool. A decision was made to take out the Jacuzzi and install a "tot" pool. Expense estimated to be approximately \$5,000 which will be prorated into the assessment.

Insurance was the next topic to be covered. John Harper, along with his assistant Monica Pereira, of Marshall & Sterling attended the meeting to answer any questions that might arise. He informed the group that the insurance would be once again carried by Island Heritage (30%) and Lloyds (70%). He explained that Island Heritage retained their premium cost and that Lloyds had increased theirs by 5%. The decision was made that the savings on a 3% deductible did not seem worthwhile. We, therefore, opted for a 5% deductible. The total insured value of the property is \$7,305,639. A copy of the proposal from Marshall & Sterling was given to everyone in attendance and a copy is on file in the Schooner Bay office. The premium for property insurance with a 5% deductible for windstorm and earthquake will be \$197,920. The liability insurance is another \$17,150. This will be financed with a 25% down payment and followed by nine equal monthly payments of \$19,825.

A motion was made by Bill Sullivan that we pay this year's insurance down payment out of the reserve fund. Motion seconded by Tom Yaegel. Motion carried.

Discussion ensued in re self-insurance. It was noted that the Association is already self-insuring claims below the 5% deductible plus reserve funds have been used for losses caused by uninsured items such as water pipe breaks and related costs. Joe Thayer was appointed to do research on this subject and if it is feasible get owners to change the by laws to incorporate this new thinking.

Paul Feilzer and Tom Yaegel told the group that the Board had tried to change by-laws relating to other matters in the past without success. The Thayers said that times have

changed and that they believed we could get the cooperation of all owners on any subject important to running the community. It was suggested that we obtain the e-mail address of each owner in an effort to more efficiently involve them in the machinations of the property.

Ferdi, the landscaper gave a brief talk in re the property, their accomplishments so far and plans for the future. Brian O'Grady commented that he personally preferred more "lush" landscaping. Ferdi reminded us of the extreme need when they first arrived to cut back all offensive shrubbery, vines, etc. He assured us that he was more than willing to address specific problems with "whoever" but he also assured us that it will all come together if given time.

Financial It was noted that the financial statement shows that insurance reserves are low since we were not able to reimburse last year's down payment. It was also noted that there is no line item for insurance since we never know what the premium is going to be until May 15, the policy anniversary date.

In re water, property was set up to collect from rain – supplemented with Wapa water. Testing got to be too expensive and the system was abandoned. Wapa now charges us 2 cents a gallon and we in turn charge owners 5 cents. Unfortunately, although we had budgeted \$76,000 for water, the expense to us turned out to be \$83,000 due to lack of rain, leaks, irrigation, etc. Dwight will be asked to come onto the property around 6 o'clock in the morning to check the water meters to see if any serious loss can be detected.

The hillside project was another area of unforeseen expense. The total cost of the project came in at about \$29,000. We had only included \$10,000 in the budget. Armstrong contributed \$11,000, but we were left with an \$8,000 shortfall.

The next topic for discussion involved the ability of the Schooner Bay Association to take possession of unit 220, to repair it to the extent required to make it habitable and to put a paying occupant in residence. A letter from Jacob & Brady regarding this issue is available in the office. Their recommendation is that we come to an arrangement with Brunner to purchase his position or by agreement to proceed with the foreclosure action. We are still awaiting Brunner's response. After much discussion pro and con as to the desirability of fixing the unit up and making it available for rental. A motion was made by Bill Sullivan to instruct the attorneys to file a petition with the judge to allow us to go forward with the renovation, and further to appoint Joe Thayer as the receiver of the funds that are received and reimburse the Association as this rental income becomes an actuality. The motion was seconded and carried.

Election of new directors as presented was approved. Bob Davis, Ed DeSantis and Alf Lambrechts will serve for the next two years. It was noted that Dorothy Bond will be appointed as Assistant Secretary of the Association (consistent with the by laws) and will continue to perform secretarial type duties.

Miscellaneous comments followed in re the following:

Reminder that Rules and Regulations are to be given to each new occupant.

Due to the new privacy acts the Owner's List will no longer be distributed.

Sharon Thayer told the group that when something of major importance occurs, each owner should have a voice in the decision.

A change of date for the Annual Meeting was discussed. The meetings now are in accordance with the by laws. A meeting in January was proposed. The group was told that the meeting was determined as it is in order that we might be better informed as to the insurance situation. This item will be taken under advisement.

Ken commented on the fact that although we had planned to change security companies, Theo's services have greatly improved and will, therefore, be retained. Also it is planned that we purchase camera equipment to be installed at a strategic angle outside of the office. The cost is estimated to be \$1,500 plus installation charges.

There being no further business, a motion was made by Bill Sullivan to adjourn the meeting. Motion seconded by Joe Thayer. Motion carried.

Respectfully submitted,
Dorothy W. Bond, Secretary
Schooner Bay Condominium Association