

Schooner Bay Condominium Association
Annual Meeting Minutes
Saturday, April 26, 2008
The Palms

The annual meeting of the Schooner Bay Condominium Association was called to order by President Tom Yaegel at 10:10 AM. A sign in sheet was used as each unit checked in to receive the meeting packet which included the agenda.

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

The present Board members were introduced by Tom Yaegel, President: Edmond DeSantis, Vice President, Alf Lambrechts, Director at Large, Paul Feilzer, Treasurer, and Brian O'Grady. The co-secretaries for this meeting were Ken Porch, Paul Feilzer and Brian O'Grady, as Dorothy Bond was absent due to illness.

Brian O'Grady presented the Notice of the Annual Meeting and reported that the number of units and proportionate interests eligible to vote at this meeting was 57. The number of units represented in person or by proxy at the meeting was 48. Therefore, it was determined that the requirements had been met, as a 25% quorum is needed, and the President declared the meeting a legal meeting.

Cole Isclin 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 Tom Yaegel. Motion carried unanimously.

The election of the officers followed. Norman Rouleau was nominated from the floor by Joe Thayer and Sharon Thayer was nominated from the floor by Frank Dabreu. Both names were added to the slate of Edmond DeSantis, Alf Lambrechts and Brian O'Grady. Paper ballots were distributed. The outcome was: Brian O'Grady 50.155; Alf Lambrechts 41.4828; Edmond DeSantis 40.4984; Norman Rouleau 30.1891; Sharon Thayer 23.9875. Brian, Alf and Ed will continue to serve for the next two years.

The President introduced Stan Smith, an independent insurance adjuster who has had a professional relationship with the association over an extended

time through storm periods. The association has benefited greatly from his assistance and advice. Arlin Wheeler, an appraiser and engineer was also present and available to discuss insurance replacement costs and what needs to be insured privately.

President Yaegel introduced John Harper, President of Marshall Sterling who presented an insurance proposal with two distinct options. Option A reduced our deductible to 3% of the total sum insured, and Option B reduced our deductible to 5% of the Total Sum insured. Terrorism Coverage was also offered with its costs.

The Commercial Property Insurer under this proposal was Island Heritage Insurance Company, Ltd. in the Cayman Islands. Stan Smith spoke highly of this company, letting the association know that Island Heritage is reinsured by Munich Reinsurance and Swiss Reinsurance.

Bill Sullivan asked if the insurance option is a done deal. The President said that owners' input is sought at the meeting but the Board is obligated to review and choose the insurance company. Following a discussion period, Option A was finalized and in accordance with Mr. Sullivan's input the reduced insurance cost will appear on the monthly bill.

There was a brief discussion on light bulbs. The association pays \$ 28,000 annually for the electric bill for the property. The need to think "green" was stressed. The use of localized switches and energy saving bulbs will be further explored by the Board. A certain number of energy saving bulbs are already in use.

Discussion took place concerning the issue of fire safety and condo exits. The Board will review this matter and seek a solution.

The President said that security hours are now staggered because the hourly rate has increased. The guards are present at 8:30 PM or 10:00 PM and leave at approximately 4:00 to 5:00 AM. The need to communicate changes to owners was stressed by several unit owners and within the next two weeks a smoother e-mail communication system will be instituted.

The Fiscal Report was prepared by Brian O'Grady CPA and presented by Treasurer Paul Feilzer. All present received the Balance Sheet as of December 31, 2007 documenting assets and liabilities of \$ 630,722.80; Profit and Loss Budget vs. Actual of January through December, 2007. Profit and Loss-Prior Year Comparison of January through March 2008; and

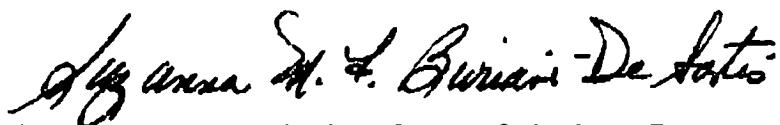
Transactions by Account as of April 21, 2008 for the Reserve Funds. The Reserve Fund shows \$ 52,135 deduction for the insurance down payment which is borrowed from this account; a \$ 15,000 deduction for the rehab of unit # 220 and an \$ 8,300 deduction to solve the drainage problem experienced by Unit # 119 which could not have been budgeted for. As of May, 2008 the balance will be \$ 185,416. This figure was the determining factor as to how much the association would have to pay in a total loss scenario. The 3% would necessitate a \$ 219,000 deductible but the 5% would necessitate a \$ 365,000 deductible.

The President's Report was distributed at the Annual Meeting. The President highlighted the difficulty of maintaining a hill property and the uncontrollable factors based on local weather, economy and government. He laid out the major tasks to be completed for the balance of 2008. The largest and most expensive task exists for the west building walls, galleries and rail refurbishment and repainting. This could result in an assessment per unit of \$ 2,000 as the cost estimate is \$ 100,000 to \$ 130,000. Each gallery ceiling will be assessed by the Property Manager for the necessity of restraining it. Joe Thayer's input suggested this approach. The four units which paid their own leaver painting costs will have that amount – which was a contractual error – deducted from their assessment charge.

Following an extended period of discussion concerning the need for an audit which, though not required by our by-laws, appears to be required by condominium law, Emma Sun motioned to have an audit done in 2008. The motion was seconded by Suzanna DeSantis. This motion was adjusted by the maker to allow up to \$ 10,000 for the job and accepted by the 2nd. The motion passed.

There being no further business a motion to adjourn at 3:05PM was made by Alf Lambrechts and seconded by Paul Feilzer. Motion carried.

Respectfully submitted,



Suzanna M. F. Buriani-DeSantis, Substitute Secretary
Schooner Bay Condominium Association