

**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 27, 2013 @ 9:13 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.

Charles Jones asked to finish last year's business on issues that he had brought up. It was explained to Mr. Jones that there will be an appropriate time for that, but that the annual meeting must follow a set procedure in order for the meeting to be an official meeting.

After opening remarks and the introduction of the Board, Ken Porch, General Manager, and David Johnson of David Johnson Accounting Services, 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 85.67% . Percentage present in person or proxy was 58.25%. Therefore, a quorum was present and it was determined that the meeting was deemed legal. The Owners/Representatives introduced themselves and indicated which unit(s) they owned or represented.

2012 ANNUAL MEETING MINUTES: Charles Jones discussed that it was his recollection that Tom discussed the circumstances surrounding Ken Porch's extra check from 2011, whether it was an extra check or a bonus, not Brian O'Grady. A motion was made to make that change by Charles Jones. There was no second. Therefore, the motion failed.

Ellen Sanpere made a motion to dispense with the reading of said minutes and accept them; Bonnie Dedinsky seconded. Motion passed.

ELECTION OF NEW DIRECTORS: Soren Andersen wanted the election of new directors put off until the end of the annual meeting. Discussion was had and a motion was made by Mr. Andersen to hold the election, next annual meeting and thereafter, at the end of each annual meeting only if there are nominations from the floor. The motion was seconded by Charles Jones. Brian O'Grady explained the election procedure to the members. Motion was redefined that the election of new directors will be done at the end of the annual meeting only if there are nominations from the floor; otherwise, the election

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shall proceed as in the past, and the election will continue to be near the beginning of the meeting should there be no other nominations than the ones put forth by the nominating committee. Motion was seconded by Charles Jones. Motion passed.

Brian O'Grady explained the proxy procedure to the members. He further moved for the acceptance of the Directors nominated by the committee; seconded by Tony Mabbatt. Motion passed.

Having no floor nominations, Veronica Rowe moved to accept the Board of Directors; Charles Jones seconded. Harry Delp opposed. Motion passed.

INSURANCE REPORT: Brian O'Grady presented the Insurance Committee's Report for review. He gave a brief explanation of their mission and of the members' background. Stan Smith, CPA gave a review of our policy and reinsurance. Three bids were reviewed. Mr. O'Grady read his report orally for the members. Ellen Sanpere asked about tsunami coverage and it was explained that we were covered under our policy. Policy premium will remain basically the same as last year. Members were, again, encouraged to have their own personal policies reviewed for adequate coverage.

LEGAL REPORT: Brian O'Grady discussed our current legal situations. Our outstanding issues with Joey Hollins is still pending, but basically at a standstill as of now.

SECURITY: Tom Yaegel discussed past burglaries. He explained how the Board added security during the seasonal months. More signage has been posted at various locations throughout the property, including the two pools. Our camera system was discussed; three-camera system at and near the office area and guard shack. The general membership are encouraged to purchase personal home security systems if they would like one.

PROPERTY IMPROVEMENTS: Tom Yaegel discussed the extensive ongoing painting project being conducted. The east side buildings have been completed. During the 2012-2013 season, the west side buildings, America, Enterprise and Courageous, will be painted. All the iron work and green railings will have to be painted and repaired. This major work will begin at the beginning of May.

Pools: East pool is finished. New pool furniture has been purchased for both the east and west pools. Two new umbrellas were purchased for the west pool.

Charles Hensley asked about maintenance fees. Brian O'Grady explained that we are on a five-year cycle for budgeting of maintenance fees. Tom Yaegel explained that our

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bylaws require each owner to maintain their own galleries, but the Board has chosen to take this responsibility so that we can have conformity throughout the property.

Soren Andersen asked that when painters want to enter units, that the owners be given notice so that owners can make appropriate arrangements. The Board agreed.

Harry Delp requested a recess, so one was granted from 10:24-10:36 a.m.

TREASURER'S REPORT: Brian O'Grady presented the Treasurer's Report, which was included in owner packets.

As discussed at last year's annual meeting, a meeting was set up with the Harbormaster to address noise and traffic at the dock and along the roadway. At the meeting, the Harbormaster was sympathetic and brought the "NORMA H." captain to sit in on the meeting, and he expressed his willingness to try and do things differently to cut down on the noise. Not much headway on the road traffic issue due to their stance that they are DOT-compliant and are able to continue doing what they're doing. The Board has tried to see if we can get the road repaired and had a small amount of success. However, due to the heavy loads that pass over that area and heavy rains, the repairs don't last long. More meetings will be set up if the situation doesn't improve.

Financial report was reviewed. The overall figures remain nearly the same. Charles Jones wants a more detailed breakdown for payroll. It was agreed that a three-year spreadsheet breakdown will be provided for Charles Jones and anyone else to review.

Harry Delp brought up certain sections of the Articles that he would like to discuss. Article III, Section 7 - list of owners available in the room. Tom Yaegel told him that the list was available in the back of the room for his review. Under Article X, he would like to review the books. Treasurer O'Grady said that an appointment would be arranged at a mutually agreeable time.

A directory was discussed, but no action taken.

Brian O'Grady explained the foreclosure procedure and explained our positions in various foreclosure actions. A handout was given out for members to review.

A comparison of SBCA fees charged from 2002 onward was shared with the members. Our current fees are lower than they were in 2002.

Tom Yaegel expressed the Board's great appreciation to Brian O'Grady for all the endless

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hours that he provides SBCA each and every year. The audience gave him a great round of applause.

Financial audit should be completed in the next two to three weeks and will be posted online.

NEW BUSINESS:

Charles Jones expressed his concerns that the association does not have an onsite manager. He thinks we should have one. He feels that Ken doesn't make final decisions without running everything past the president, Tom Yaegel. Brian O'Grady explained that he does make everyday decisions, however, there are things that must be run by the Board. Ken is always in touch with the President and other members of the Board where the business of the association is discussed.

Harry Delp discussed that he thinks that the term of Board members should be limited. Feels the president should step down.

Jean Mabbatt discussed water meter readings. Feels that they are not being read right. The testing method was explained. The distribution was explained from WAPA to each unit. Brian O'Grady suggested looking into somehow incorporating water usage information into our monthly invoices.

Harry Delp discussed the Weatherly building. He feels that it looks awful. Tom Yaegel explained that the area is being cleaned up. Maintenance is ongoing daily.

Soren Andersen expressed his pleasure with how the landscape and construction projects have gone. Does feel that the water pressure is still too low. Parking was discussed. Wants the Board to discuss perhaps creating some parking rules and regulations.

Charles Jones wanted to know why we don't have a Home Depot account. It was explained that we have tried to secure an account; however, they are requiring that a Board member personally sign for it. There were no volunteers.

Charles Jones wanted to discuss gas allowances to employees. Feels there is a discrepancy. Brian O'Grady said that this was researched and found no abnormalities with our gas accounts. The allowance was explained to the general membership. Charles Jones would like certain months broken down. Arrangements will be made.

Harry Delp would like to see a new tennis court net. After the tennis court is repaired, a

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new net will be installed.

With no other business for the body, Bonnie Dedinsky moved for the adjournment of the annual meeting; seconded by Soren Andersen. Motion passed. The meeting was adjourned at 12:40 p.m.

Respectfully submitted,

Susan C. Nissman-Coursey
Secretary