

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOC. INC.  
BOARD OF DIRECTORS MEETING MARCH 31, 2007

Board of Directors Meeting, 11:00 a.m.  
Clubhouse

Present: Claude Poirier-Defoy, President  
Gaby Bélanger, Vice President  
André Mongrain, Treasurer  
Claude Comtois, Secretary  
Scott Perron, Director  
Marc Rochon, Director  
Bob Van, Director

Also Present: Pamela Bampton, Property Manager

- I. Quorum achieved
- II. Approval of Agenda: André Mongrain moved to approve; seconded by Gaby Bélanger. Motion carried.
- III. Approval of the minutes of meeting held
  - A. January 27, 2007. Marc Rochon moved to approve, Scott Perron seconded. Motion carried.
  - B. February 1, 2007. Gaby Bélanger moved to approve, seconded by Scott Perron. Motion carried.
- IV. President's Report  
President Poirier-Defoy first addressed a main concern for the residents:
  - A. Entrance gate  
The system that operates the gates installed in 2004 generated costs that were out of control. It cost \$81,000 since 2004, of which \$60,000 was for the time spent by Mr. Bruneau. Last summer a decision was made to replace the system and the Board had asked for 3 bids, and the lowest bidder, CSI Palm Beach was awarded a contract for \$21,000. It was planned to have the work begun after the seasonal residents left, but unfortunately, the gates were hit three times in February.
  - B. President Poirier-Defoy also mentioned that the existing system was not in compliance with the codes and had not been installed with a permit from the Town of Hypoluxo. The work should be completed next week, and at no extra cost to the Association.
  - C. President Poirier-Defoy informed the Board of the important rise in the cost of the insurance. The Association just received from Citizens the premium notification for the year for an amount of \$322,000, compared to \$190,000 for last year. The total cost of all the insurance to be paid this year by the Association will be \$425,000 on a budget of \$300,000. It is a surprise to all condo associations in the neighborhood.

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- D. The mitigation report will as of Monday be the top priority and will consist of the inspection of all attics to verify and certify that the attachments of the roof to the walls are sufficient. If the report is satisfactory, Citizens could consent to a discount of 15% to 20%.
- E. President Poirier-Defoy reported that he attended a meeting that had been called by the Mayor of the Town of Hypoluxo. All Hypoluxo condo association presidents and managers were invited to attend. Mr. Poirier-Defoy was accompanied by the Secretary and the Property Manager. The main reason for this meeting was the taxation system in Florida, i.e., homesteaders vs. non-homesteaders. Depending on the resolution of this situation, the Town could be forced to transfer some cost to condo associations, such as Fire Rescue and Police. At this meeting it was also mentioned that representation was made to FEC to reduce the noise caused by train whistles, but without success due to an existing injunction.
- F. The water restrictions apply to all residents of Florida, whether water is treated water distributed to every home or pumped from wells for irrigation.

V. Manager's Report

- A. Manager Pamela Bampton mentioned that the rat invasion of recent months has affected other communities around Waterside and is mainly caused by the construction of the nearby school on Minor Road. It is the number one priority for the maintenance staff since December. The second priority has been the sprinkler system.
- B. The Manager confirmed to the Board that the keys for the pedestrian gate and the two pool gates will be changed to the Medico™ model. These keys cannot be reproduced. The change will be done this summer. Doing so, the security will be increased especially at the gate entrance.
- C. A new employee has been hired this morning to replace Ramon who is moving to New York. The employee will start to work on April 23, 2007.

VI. Treasurer's Report

Treasurer André Mongrain's report is attached to these minutes in Appendix I.

VII. Postal Station

President Poirier-Defoy confirmed to the Board that an architect was retained and will present us with a few alternatives to replace the actual postal station, and if possible, create a link with the clubhouse. U.S. Postal Services will also need to approve the project. The budget for this project is \$25,000.

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- VIII. Florida Rooms  
President Poirier-Defoy mentioned that a standard will be published for new Florida rooms. The new codes will be enforced by the Town of Hyp9oluxo for all major repairs to existing Florida rooms. Replacing the roofs of existing Florida rooms with the same material (canvas or plastic) will be grandfathered. In order to help owners, the Association already received three bids and the names of the contractors will be published
- IX. Screening Procedure for Tenants  
President Poirier-Defoy confirmed that as of May 1, 2007, the Association will screen all short-term tenants as is done for long-term tenants according to our condo docs. Tenants who were here this winter will be grandfathered if they come back next winter.
- X. Rules and Regulations  
Marc Rochon has undertaken a complete revision of the rules and regulations, and every director reviewed them, adding their comments. The final document will be presented to our lawyers for potential corrections. They will be published for comments by the owners and the Board will accept them next fall.
- XI. Miscellaneous  
President Poirier-Defoy expressed special thanks to all those volunteers who organized the social activities this winter especially Jean Pierre Nadeau, André Marcoux and Pierre Dumont.

After the question period the meeting adjourned at 1:15 p.m.

Appendix I is attached.

Claude Comtois, Secretary

## TREASURER REPORT MARCH 31, 2007

### 1. THE CAUSES OF THE ACTUAL SITUATION

#### 2. ACCOUNTS RECEIVABLE

- 2.1 Jan-01-07 opening balance **COMPLETED AND TRANSMITTED** to Barry & Co.
- 2.2 Over 60 collection letters sent to home owners over the last 5 days, and 30 more will go next week.
- 2.3 The past due balance from owners is as follow:

	<u>LEGAL</u>	<u>OTHER</u>	<u>TOTAL</u>
Accountsult Reg. Maint.	\$ 14,065	\$ 14,827	\$ 28,892
Hurricane Assessment	\$ 8,979	\$ 5,534	\$ 14,513
Shutter Assessment	\$ 1,890	\$ 2,215	\$ 4,105
Special Jan-07 (\$600)	\$ 5,400	\$ 7,800	\$ 13,200
Regular Maint. at Barry & Co.	\$ <u>6,065</u>	\$ <u>4,950</u>	\$ <u>11,015</u>
<b><u>TOTAL</u></b>	<b>\$ 36,399</b>	<b>\$ 35,236</b>	<b>\$ 71,725</b>

Remaining receivable on shutters is \$ 364,485 and I do recommend that Waterside should **NOT** be involved in financing activities in the future. These accounts are paid on time with the exception of the above.

- 2.4 Barry & Co beginning with March statement will process late fee charges, mail collection Letters, and by the 3<sup>rd</sup> week of April will issue account statements to the owners who have a balance. We need to be proactive in our collection effort. We currently have 12 legal cases.

### 3. FINANCIAL STATEMENTS ( P&L, BALANCE SHEET AND AUDIT)

#### 3.1 NOV-1-2005 TO OCT 31, 2006

- Limited progress.
- Long and costly exercise, distraction to current year control and monitoring.
- Solution after representation to the Board members and discussion with Barry & Co. and Labossierre (auditor), we have agreed on a short form procedure meaning the the following:

- \*\* full audit of the balance sheet elements ( i.e. the bank reconciliation, the Accounts receivable, the fixed assets, the different reserve accounts, the payable and the prepaid.)
- \*\* partial audit of the Profit and Loss.

If we cannot do it on a short form way, we will be lucky if we have financial Statements by next November and this is totally unacceptable.

### 3.2 THE CURRENT YEAR NOV-06 TO OCT 31,2007

- Barry & Co will concentrate on Nov.and Dec 06 and the year 2007. By the end of April 2007, current data should be available.
- Barry & Co. Profit and Loss, Balance Sheet and support schedule are informative and the presentation is acceptable.
- The receivable portion of the Barry system is weak in terms of data availability, only paper documents available.

### 4. OTHER FINANCIAL INFORMATIONS

- 4.1 Reserve accounts are funded on a monthly basis and are current.
- 4.2 We need to reconcile hurricane cost vs. revenue.
- 4.3 Need to reconcile and forecast shutter cost vs revenue.
- 4.4 Need to publish cost charge to date against Jan-07 special \$600 assessment.
- 4.5 Need to reconcile funds that came from the hurricane left over and the social club.
- 4.6 Need to address the Desjardins TV loan cost vs the guarantees provided by a bank certificate of deposit.

### 5. OFFICE PROCEDURE

We need training, procedure, discipline, cleanliness and a process agreement with Barry & Co. And the personnel will need to adhere to the new procedure.  
All of this will take place NEXT WEEK.

### 6. QUATERLY AND YEARLY STATEMENT

There is confusion right now on when the financial statements are due; we will do everything to have them available 30 days after a quarter end and 60 days after year end, before the annual meeting.

**CONCLUSION: THE JOB WILL BE DONE AND ONLY THEN WE WILL SAY THAT  
WATERSIDE IS THE BEST MANAGED COMMUNITY.**

Andre C. Mongrain