

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOCIATION INC.

ANNUAL MEETING
JANUARY 26, 2008
11:00 A.M. AT THE ASSOCIATION CLUBHOUSE

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

Absent: Scott Perron, Director (Excused)

Also present: Pamela B. Bampton, Property Manager

Note: The Annual General Meeting of Waterside Village commenced at 11:20 a.m. English and French translations were conducted for each subject.

- I. Appointment of Inspectors of Elections
President Poirier-Defoy informed the assembly that at the previous Board Meeting, an impartial committee was nominated for the election of the 3 new directors, and now at this assembly we need to give them the power of “Inspectors of elections.”

The nominees for the impartial committee were Mr. Raymond Landry (unit 544) as chairman, assisted by Mrs. Gerry Coderre (unit 656), and Mr. Tom Eschlemann (unit 522), and office assistant Florence Allain. Mr. André Pellerin (unit 620) would act as observer. Mr. Pierre Dumont (unit 547) moved to approve the list, and Mrs. Jacques Cook (unit 205) seconded. All in favor, the motion was carried.

The President informed the assembly that if any other owner wished to be an observer of the counting of ballots they could join the committee, but only in the capacity as observers. They would need to join the impartial committee in the library immediately, and they would not be permitted to leave the counting room until the final results. Jacques Cook (unit 205) accepted.

- II. Election of Directors – President Poirier-Defoy asked that this item on the agenda be moved to item 9 (IX) under New Business, when the results of the election would be announced. Moved by Pierre Dumont (unit 547), seconded by André Bergeron (unit.376). Motion carried. Secretary Claude A. Comtois declared the election closed and results would be announced at the end of the Annual General Meeting.

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- III. Certifying Quorum – Call to Order. Secretary Claude Comtois confirmed that the quorum had been met with 110 owners registered and 34 proxies were received at the time of the meeting. President Poirier-Defoy then called the meeting to order.
- IV. Proof of Notice of Meeting -- Secretary Comtois tabled the affidavit of Proof of Notice of meeting which had been mailed and/or hand-delivered to all owners.
- V. Reading and disposal of minutes of the meeting January 27, 2007.
Mr. Raymond Goyette (unit 431) moved that the minutes of the Annual General Meeting held on January 27, 2007, be approved without being read. Mr. Pierre Payette (unit 731) seconded, all in favor, motion carried. Copies of the meeting minutes were distributed among the owners.
- VI. Reports of Officers
- A. Treasurer: André Mongrain tabled the audited financial statement for the fiscal year 2006 – 2007 and mentioned that the auditor signed the financial statement without any qualifications. Mr. Mongrain offered special thanks to Mrs. Lise Longchamps, Mr. Yves Ouellet and Mr. Pierre Dumont who have helped him to reconcile all the information of the last few years.
- Copies of the Financial Statement from the Auditor Marc Laboissiere were available to owners who were required to sign out their copy. Remaining copies would be mailed to owners.
- Mr. Mongrain also mentioned that the quality of the monthly financial results are pretty well accurate, and have allowed the auditors to produce the audited statements in due time.
- B. Secretary: Mr. Claude Comtois reported the unit sales from January 1, 2007 to December 31, 2007 as follows:
Total number of sales for that period was 24.
Unit A: 10, prices ranging from \$90,000 to \$160,000
Unit B: 6, prices ranging from \$132,000 to \$172,500
Unit C: 6, prices ranging from \$140,000 to \$180,000
Unit D: 2, prices ranging from \$13,400 to = \$185,000
Unit DD: 0
- VII. Reports of Committees
- A. Communication - Mr. Scott Perron being absent, his report will be included in the President's report.

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B. President's Report: Mr. Poirier-Defoy mentioned that he already transmitted a report of activities in December 2007. He mentioned that he will concentrate today on 4 items: achievements, communication, social activities and finance.

1. Achievements

a) Shutters. Installation shutters were completed in May 2007, many months later than the expected completion date. After the hurricane season the Board considered its options: terminate the contract and be in court for years, finding another contractor with not much guarantee of completing the work any faster and at what cost, or finish with the same contractor before the next hurricane season. The Board finally ended up in a mediation process with the contractor, since we had retained the services of Becker and Poliakoff to contest the 3 consecutive price increases for materials of 7%, 8%, and 8% charged by the contractor. The total cost of the project is \$1,191,000 including the cost of the permits, the consulting engineer fees and the legal cost. The special assessment collected from the owners is \$1,121,000.

b) Insurance premium
Because of the installation of the shutters throughout the whole community, we benefited with a reduction on the cost of insurance from Citizens of \$87,000, or 35% of the premium if the whole community would not have been shuttered. And this reduction is recurring.

c) Awnings
Sixteen (16) awnings were installed in June 2006 at a cost of \$30,000. Another 22 awnings were installed later and of a better quality than those previously installed, along with 15 domes at the cost of \$49,000.

d) Painting
At the end of 2006 and beginning of 2007, we have painted the most needed buildings with a new color scheme at a cost of \$517 per unit.

e). Landscaping
In the middle of the fiscal year, the contractor, South Ocean Landscape ceased operation and let us down. Since June 2007, Kerry Landscape maintains our lawn, shrubs, hedges, for the same price as South Ocean. Mr. Poirier-Defoy said he hopes residents agree, the community is in great shape.

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- f). Irrigation:
The Association has spent \$11,000 on repairing and improving our irrigation system that badly needed important retrofit. Since March 2007, we also had to comply with strict watering restrictions. The Association budgeted for fiscal year 2007-2008 another \$30,000 for continuing improvement of our irrigation system.
- g) Pool and spa water heaters: The Association had to change the water heaters for the two pools and the spa. On top of that, the pump for the pool on the east side of the community had to be changed.
- h) Divider walls: Thirteen (13) dividing walls on the balconies of A and B units had to be replaced following the destruction from past hurricanes, at a cost of \$4500 and multiple complications with contractors and permits.
- i) Gates at the entry: The important cost of maintenance and the exclusivity of the contractor because of the specificity of this unique system, the board had decided to change the operating system of the gate, and awarded a contract to C.S.I. Palm Beach, a licensed and well-recognized company, for an amount of \$21,000 originally, that at the end cost, because of extras, \$37,577.00. However we are no longer at the mercy of one individual for maintenance of the gate system.
- j) Guards: The Association had to change the company providing services of the guards at the gate. We now recognize that the service has improved a lot; the guards are more visible and the cost is \$14.72 per hour.
- k) Communication: President Poirier-Defoy expressed his thanks to Scott Perron for his work and suggested to bear in mind the evolution of the communication, as a whole, over the last 3 years. Our **website** received 53,377 hits since opening in March of 2005, and is averaging over 1500 hits per month. A variety of other information sources has been increased on the website, such as minutes from past meetings, hurricane/emergency information and more. **The message board** area of our website is averaging 1600 hits per month and has over 385 members, and growing. ***The Village News*** newsletter was published approximately every other month last year.

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Two years ago, **free wi-fi internet access** was introduced at the clubhouse and has proven itself to be a useful resource.

- 1) Social activities: Under Jean Pierre Nadeau's leadership, tennis, shuffle board, painting, bridge and more were popular activities. English lessons were also made available. There is one best-kept secret at Waterside: the library. It is interesting to know that everyone can find 2664 French books and 485 English ones. The list goes on with softball, choir, cinema, Aquaform, etc. A special thanks to Jean Pierre Nadeau, André Marcoux, and Pierre Dumont. We should not forget to thank also all the organizers of each and all activities for the involvement and dedication.
2. The new social committee for fiscal year 2007-2008 will be composed of Jean Pierre Nadeau (unit 427), Bruno Allary (unit 154), and Yves Ouellet (unit 664).
3. Finance: A lot has been said by our Treasurer on the state of finance during the last year. Here is a summary:
 - a) **Audited financial statement for fiscal year 2005-2006** was transmitted to the Board in December 2007.
 - b) **Monthly financial statements** prepared by Barry and Company are now available.
 - c) **Screening**: The Department of Business and Professional Regulations of Florida made it illegal for the Association to charge \$25.00 for administration cost or to charge renters \$100.00 for parking decal registration. As of December 10, 2007 the Association has ceased to collect \$100.00 from tenants, and the screening fee has been reduced to \$100.00. The consequences of this decision bear a heavy burden on our revenues. Since 1993, the Association has collected more than \$600,000 in revenues for these items. In 1998, these revenues were \$67,400.00, and in 2006 were reduced to \$20,683.00, confirming the fact that fewer owners are renting. The coming Board of Directors will have to review this process and deal with this environment.

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- d) **Elimination of the debt:** President Poirier-Defoy was proud to confirm there is no longer any debt carried by the Association but the one for the shutter project that is being repaid through the monthly assessment by those owners who elected to finance the project Special Assessment: This year the special assessment of \$675.00 (\$277,425.00) was used to reimburse Desjardins Bank for an amount of \$205,000.00; \$51,000.00 was transferred to the Reserve Account and the rest, when collected, will also be transferred to the Reserve fund.
- e) **Reserve Fund:** Our reserve funds were replenished after years of problems, caused mainly by the hurricanes of the last 3 years and should be at the level of \$228,767.00 in October 31, 2008. The work done over the last 24 months needed to make several very tough decisions taken collectively on how to spend money wisely and according to priority with selected good suppliers and without borrowing, as much as possible. President Poirier-Defoy reiterated that all decisions taken last year by the Board were unanimous and it was a collective effort to reverse the trend of the financial situation.
- f) **Conclusion:** President Poirier-Defoy wanted to express special thanks to Pamela B. Bampton for her work. Mr. Poirier-Defoy also offered his thanks to all members of the Board. During that year, 10 meetings of the Board were held. President Poirier-Defoy added that no directors were reimbursed for the expenses they incurred during the execution of their mandate. President Poirier-Defoy also expressed special thanks to his wife Ginette for her support and patience. In conclusion President Poirier-Defoy said, “Until the last day, I have decided to avoid controversy and to keep to the high ground, acting in the best interest of the owners. I am very proud of actual results.”

VIII. Unfinished business: No unfinished business issues were raised.

IX. New Business – Election of Directors (Moved from item II in the Agenda. The counting of the ballots was still in session at this time.)

Question period: During the question period 3 propositions were submitted to the next Board of Directors for consideration.

QUESTIONS AND COMMENTS FROM OWNERS:

From Mr. Alfred Shehata (unit 657): “Whereas it is imperative that all owners be informed of all decisions taken by the Board of Directors, it is recommended that all minutes of all Board of Directors meetings held be mailed to all owners within thirty days after such meeting.”

From Mr. Alfred Shehata (unit 657): “I ask the board to follow Florida Statutes, Chapter 718, article 718.112.5 © which requires that any decision regarding Waterside Village Management be discussed and voted publicly by all members of the Board, unless there is an emergency, and that the decision and the votes be recorded in the minutes of the Board Meetings.”

From Mr. Michael Shane (unit 678): “It is very important to keep owners informed of the maintenance and improvement programs for our site for the future and supported by a solid financial plan to implement it, and it is essential to keep our reserve funds in line for the years ahead. It is imperative that the program projection be prepared on a three-year plan, and it is recommended that the Board of Directors approve within the next 90 days after the annual assembly a three-year maintenance and improvement program supported by a solid financial plan preferably prepared by experts. A special attention should be given to the Reserve Funds in order to ensure we are aligned properly for the years ahead.”

From Mr. Charbonneau (unit 805): “All owners should be able to attend either in person or via other means of communication, all Board of Directors meetings at the cost of the Association.”

Discussion: President Poirier-Defoy explained to the assembly that it would not be cost effective to mail minutes from every board meeting to every owner. He reminded owners that the minutes are posted on the Waterside Village website, and if anyone does not own a computer, they surely would have friends or relatives who would give them access to the Internet, and libraries have computers for the public to use.

Whereas the counting of ballots had not been completed by 1:00 p.m., the Board called for a recess until 3:30 p.m. to receive the results of the election.

Results of the elections (at 3:35 p.m.)

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IX. New Business: [Election of Directors] The Chairman of the election committee, Mr. Raymond Landry made the following announcement:

- 300 voters deposited a ballot for a total of 844 votes
- 14 envelopes were rejected
- 1 vote was rejected

Results listed alphabetically:

Robin Barrack	108	
Gaby Bélanger	155	elected
André Bergeron	152	elected
John “Mickey” Crabb	100	
Leopold Dubord	91	
Michel Dumais	104	
Roch Massicotte	134	elected

X. Adjournment: Meeting adjourned at 4:00 p.m.

Claude A. Comtois, Secretary

CAC/ec