

CONFERENCE CALL HELD AT WATERSIDE VILLAGE CLUBHOUSE

Board of Directors Present: Pierre Dumont, President
Gary Mehall, Vice President
Claude Poirier-Defoy, Secretary
Gaby Belanger, Director, Technical
Jacques Lampron, Director of Operations

Board members on Conference call from Canada:
Yves Quellet –Treasurer
Marc Rochon, Director of Communications

Also present:
Mark Buchalter, LLC, for Accountsult Accounting Firm
Kenneth Direktor, Attorney, from Becker & Poliakoff

Daniel Harvey, Office Manager

Meeting commenced at 7:05 p.m. *[Reports were given in English and immediately translated to French.]*

1. **Quorum:** Achieved. All directors present (five in the room, two on conference call)
2. **Approval of Agenda: Jacques Lampron moved to approve the Agenda, seconded by Gary Mehall.**
3. **Approval of minutes: Jacques Lampron moved to approve the minutes** of October 15, 2005 meeting of the Board of Directors. **Marc Rochon seconded**

President Pierre Dumont announced to the assembly that this was the seventh board meeting since the new administration took office, all open to owners.

Jacques Lampron introduced Mark Buchalter, the managing director for Accountsult accounting firm .This firm is highly recommended for its expertise in condo associations, and is highly reliable. Mr. Buchalter then explained the services his firm will provide for the Association beginning January 1, 2006. *[Item number 8 on the Agenda was given at this point.]* Among the services Accountsult firm will provide include collecting monthly maintenance payments, assessment payments, the payment of bills, reconciling bank accounts, preparing financial statements, and assist with budget preparation. Owners will receive English and French instructions for making payments, similar to the current coupon booklets. Owners who are delinquent with assessment payments will have liens levied, and failure to comply will result in foreclosure of property. He told the assembly that if any errors were observed to notify his accounting firm or the Association office.

- 4. Audited financial statements 2004 – 2005:** Yves Quellet referred to the budget, and financial statement packets which were made available to owners at the meeting, prepared by Marc Labossière, auditor.

Claude Poirier Defoy moved to approve the financial statement, and Gary Mehall seconded.

- 5. Presentation of 2005 – 2006 budget:** Yves Ouellet referred to the printed report and stated that expenses exceeded revenues by \$135,000. The Association raised the bank loan from \$120,000 to \$130,000. The 2005 – 2006 budget included increased costs from unexpected expenses due to hurricanes. Jacques Lampron asked Yves Ouellet if Marc Labossière had given him the necessary adjustments in the reserve funds for next year, and was he satisfied with the adjustments. Yves Ouellet answered affirmatively. Pierre Dumont reminded owners that they were all sent the budget forty days in advance, and no changes had been made. **Claude Poirier-Defoy moved to approve the proposed budget. Jacques Lampron seconded.**

Base on input from Kenneth Direktor Claude Poirier Defoy suggested that Page 12 – the Supplementary Information on Future Major Repairs and Replacements -- be added to the budget, with one additional column of the Reserve Information, showing the estimated Balance fund of the end of the fiscal year.

- 6. Review of the Hurricane Frances financial Results:** Pierre Dumont explained total revenues that have been received from the reserve funds, from the operations budget, the special assessment, and the insurance claim received from the company, is a grand total of \$6.1 million. Referring to printed materials offered to owners, expenses are listed from Elite down to the interest on the loan that had to be contracted and totaled \$5.8 million. There is a positive balance of \$297,931. This surplus includes major upgrades to our site, construction expenses not covered by insurance, such as fascia, clubhouse, tarping the roofs, ornamental work, rental equipment, and supplies.

Jacques Lampron congratulated all workers who have assisted with recovery work from hurricane damage, and complimented the over-all improvement since Pierre Dumont was made president. *[The assembly gave Mr. Dumont a standing ovation.]* Pierre Dumont then reminded attendees that the work has been a team effort of the Board, and credited Daniel Harvey, Gaby Bélanger, Gary Mehall and Claude Poirier Defoy for their efforts.

- 7. Presentation of Hurricane Wilma estimate of Damages:** Referring to the page on Preliminary estimate of damages from Hurricane Wilma, Pierre Dumont read the list of expenses, resulting in a total of \$227,000. He reported a loss of 40% of the awnings lost or damaged by the hurricane. It was discovered that all warranties on awnings, fascia, etc. are no longer valid after a hurricane. The cost of replacing trees lost or damaged throughout the property is estimated at a cost of \$100,000 to replace.
- 8. New Administrative and office changes:** [Explained above]

9. **Revised allocation of the common costs:** At the request of owners during the last annual meeting, Claude Poirier Defoy reviewed the method of allocation of common cost since there was a difference between the allocation for regular assessment and the allocation for special assessment. After reviewing the documentation available at the office, he discovered discrepancies which had not been noted or addressed by previous administration. He then asked Mr. Direktor to do a review of the allocation of common costs according to the declaration of condominium.

Mr. Direktor said that in the allocation of common costs, Waterside Village developers had projected the completion of 420 condo units. In 1991 after completion of phase IV, the total units then resulted in 412. The 1991 amendment provides that each of the 412 units pays 1/412 of the common costs, and this is the amendment that must be applied. As a result, a schedule was distributed reflecting the common costs to be paid as of November 1st 2005 by all unit owners.

Pierre Dumont said the special assessment starting last year because of Hurricane Frances had been assigned according to square footage; he asked if now the Association was required to re-adjust the assessment already in place. Mr. Direktor said that to implement change by bringing in to accord with condominium documents, the Association would have to recalculate the balance of the installments so the payments made by each of the owners would be consistent with what they should have been charged. He recommended that the Association do what the document requires, i.e., pay the correct amount.

However Claude Poirier Defoy mentioned that for a number of reasons, changing the allocation of special assessment would create serious administrative difficulties. Pierre Dumont said the board decided that the Association stays with the current special assessment payment schedule.

10. **General comments from the President on shutters, awnings and landscaping:** Pierre Dumont announced that these issues would be tabled for the December 17, 2005 Board meeting. Copies of a printed sheet of information were made available to owners describing the ongoing process relating to hurricane recovery, but more options would be described at the next board meeting.
11. Question period followed, with discussion.

Pierre Dumont then concluded the meeting with an explanation that the original vision of the elected board members was to bring Waterside Village into a new dimension, a "new age" of quality, cooperation, and fairness to all residents regarding decisions. He said that while all goals have not yet been achieved, he felt the Board was well ahead of schedule. He then said that prior to the October 24 hurricane, the property and its management had been the very best, due largely to the consistent work throughout the summer months by Gary Mehall and Gaby Bélanger . [*Assembly gave these individuals a standing ovation.*]

MINUTES OF THE BOARD OF DIRECTORS - Meeting November 22, 2005

Pierre Dumont said this week the office would be mailing information to owners regarding the three openings available to candidate nominees to the Board.

Gary Mehall moved to adjourn the meeting. Claude Poirier Defoy seconded.

Meeting adjourned at 8:15 p.m.

The next Board meeting is scheduled for December 17, 2005, at 10:00 a.m. at the clubhouse.

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ADDENDUM #1

Waterside village of palm beach
condominium association inc.
special board meeting
octobre 31, 2005 10.A.M.

Club house: Pierre Dumont, Gary Mehall, Gaby Bélanger, Daniel Harvey.

Conference call: Jacques Lampron, Claude Poirier Defoy, Yves Ouellet

Urgent matters to be decided.

1- Landscaping, tree cutting and removals. In view of the urgency of the situation a contract needs to be given before noon today.

On a motion made by Gaby Bélanger and seconded by Gary Mehall, it was decided to give a contract to B.S.G.L. and associates for an amount of \$75,000.00 to cut and remove trees for a period of 25 days, and extend it to a maximum of \$100,000., if needed.

2- The board also authorized Gaby Bélanger to negotiate and give a contract for facia repais for an amount of \$20,000. and for fences to be repaired once a survey has been completed for an amount not to exceed \$35,000.00.

Secretary: