

## **BEACH VILLA OWNERS' ASSOCIATION**

### **Minutes of the Extraordinary Meeting of Shareholders**

**Saturday, January 9, 2021**

#### **Welcome & Call to Order**

President Bill McLean welcomed those present at approximately 10:08 AM and indicated that there would be a photo and video presentation of approximately 12 minutes showing some of the changes/improvements to Treasure Cay and the BVOA post hurricane Dorian. Bill introduced Susan Wright (Villa 711) who agreed to be the Zoom "administrator" and Susan described some of the processes to be used in running the meeting.

The business portion of the meeting was convened at approximately 10:25 and the meeting called to order.

#### **Declaration of Quorum**

Susan Wright reported on attendance. Bill McLean reminded those present that only 10 shares being represented constitute a quorum and that the meeting met that requirement and was declared an official extraordinary meeting of the BVOA. Attendance was 72.25 shares present and an additional 25 shares represented by proxy, for a total of 97.75 shares out of 138 shares being represented at the meeting.

#### **Review Meeting Process**

Bill McLean reviewed the meeting process, noting that the meeting was being held at the request of 15 "requisitioners" and that the agenda distributed in advance of the meeting was the agenda submitted by the requisitioners to the Board, primarily consisting of requests for explanation of the Board of Directors' actions since November 2019 relative to changes to the building regulations applicable to the 4 Lots located along the beach to the west of the pool, which he would address on behalf of the Board. Bill indicated that he would re-order some of the items in the agenda in order to avoid redundancy. He cited sections of the Bahamas Companies Act that are pertinent to the Board's duties and powers, highlighting the role of the Board members as "fiduciaries" whose sole loyalty is to the BVOA and not individual villa owners. He noted that absent a compelling reason, the meeting would be adjourned at, or approximate to, 12:00 noon.

#### **Agenda**

##### **1. Board Update**

##### **a. Changes to the Building Regulations since November 2019**

For the 4 dune-front lots west of the pool only (591,596,598, 599) elevated villas are allowed, with a maximum of 7' from the elevation of the original foundation to the bottom of the floor joists, and a 27'

maximum height from the elevation of the original foundation to the exterior peak of the roof. Living area is limited to one level. Zero living space is allowed at ground level. Setbacks no less than 10' from the outside wall surface of the sides of the building to the property lines, 3' to the rear and 10' back from the front/dune-side property line. Variations to the side set-back were permitted to the Lot 591 application based on the prior subdivision of that lot, but the effect of an approximate 20' separation between villas is maintained. Approved by a 5-1 vote of the board on 12/16/20.

b. Status of approvals and/or commitments made by the Board

The application for construction of a raised villa on Lot 591 was approved by John Monaghan, Building Committee Chair, on September 2, 2020. Subsequent to the board's formal adoption of the regulation changes just noted, the owners of 591 have agreed to revise their approved plan to be consistent with those changes, at some significant expense. Their approval remains in place.

The owners of lot 599 submitted an application for approval of concept of a raised villa on June 7, 2020 so that their pending purchase transaction could move forward. After completing the sales transaction on December 16, 2020, the new owners submitted a formal plan to John Monaghan on December 17, 2020. That application is currently under review by John Monaghan. Approval of the plan in the very near future is likely, following which it will be presented for approval by TC Town Planning and then local government in Cooperstown.

The owners of lot 598 have submitted a letter to the board requesting approval to build up to 7 feet above the former foundation grade level in the future. No building permit application has been submitted; none is pending. No action has been taken by the board.

c & d. Clarification regarding objectives for changes to the Building Regulations and Overview of analysis considered by the board in support of these changes

Clarifying the board's Objectives:

Bill stated that the Board's objectives relative to changes in the building regulations were: (1) ensuring that the BVOA survived the immediate aftermath of Dorian and (2) ensuring its long-term viability, both having the intended outcome of encouraging new construction to replace villas that had been destroyed and to encourage and set requirements for the repair of remaining villas. He described the background of the Board's November 2019 meeting, particularly relative to the discussion and "straw vote" the Board took in support of changes to the regulations that would invite consideration of: (1) raised houses on up to 8' pilings for dune front lots; (2) a requirement to continue the classic hip roof style; (3) approval of architecturally designed

widows' walks; and (4) approval of standing seam metal roofs with more roof colors than the single off-white previously approved by the Board. The Board also expressed a willingness to consider the raising of foundations in support of owners who must demolish before rebuilding, to be approved on an individual basis. He went on to describe in detail the various criteria that have, and continue to be, central to the Board's focus:

Prudent person test (what would a prudent person do?); Reasonableness (is the regulation reasonable?); Best practices (does the regulation reflect best practices?); Sound economics (is the regulation based on sound economics?); Timeliness (is the regulation respectful/considerate of time constraints?); Our Future Owners (does the regulation reflect the needs, attitudes, desires, etc. of a younger generation?)

2. Consideration of the following potential actions related to a forward-looking review of Building Regulations:

a. Formation of a Building Regulations Review Committee:

Bill informed the meeting, consistent with a written notice previously distributed, that the board has approved formation of a Building Regulations Advisory Committee and went on to announce that the following persons have agreed to serve: Russell Dutoit - Villa 683, new owner - FL real estate sales on the west coast; has done design/build of marinas; managed marinas and residential condos; private pilot.

Joni Manz - Villa 517 since 2008 - Michigan - Project Engineer Coordinator, analysis of engineering projects, analysis of software, BS in Mechanical Engineering, BS in Medical Technology

Leon Patricios - Villa 508 since 2009 - FL Attorney, has participated in litigation in the Bahamas. Involved in several real estate transactions in the Bahamas and recently participated in the process of rebuilding and expanding his villa.

Michael McCann - Villa 591, new owner last year - NJ project manager, general contracting experience; has been through the building application process including BVOA, Town Planning, and local government

Claudio Petruccio - Villas 707, owner since 2017 and recently purchased Villa 664 as an investment - NJ engineer with construction and renewable energy experience

Bill noted that all volunteered; none were solicited. He also noted that there were no volunteers from among the 15 requisitioners for this extraordinary meeting.

Vic Pfeifer challenged the appointment of Michael McCann, indicating it was a conflict of interest because the McCanns are among the owners of the 4 lots that have been the focus of the changes to regulations.

McLean countered that the application has been approved, removing any potential conflict and adding that having a person who has already been through the application process could provide valuable insight into the process.

b. The following motion was duly made by and seconded:

**Motion:** That the BVOA Board commit to a moratorium (i.e. set aside) on any approvals (including *Villas 591 & 599*) that require permissions beyond those contained in the 2018 Board approved Building Rules and Regulations, until the Building Rules and Regulations document has been updated following receipt of recommendations by the Building Rules and Regulations Review Committee.

Following discussion, the vote was called and recorded as: 40.75 shares in favor of the motion and 56.5 shares opposed to the motion (following post-meeting reconciliation of shares voted by persons at the meeting and those voted by proxy on behalf of those not at the meeting). The motion failed.

c. Discussion of what mechanism, if any, Shareholders seek to show their support for Committee recommendations before final consideration and final adoption by the board. In other words, should the board have the benefit of shareholder views through a vote regarding committee recommendations before making a final determination.

The following motion was made but never seconded and the matter was not formally addressed by the meeting:

**Motion:** *That the Board commit to seeking owners' support for Committee recommendations (where they represent significant change to same) through a binding vote before final consideration and adoption by the Board.*

Bill McLean indicated that, based upon its fiduciary duties previously outlined, the Board of Directors could not agree to being bound by such a vote.

There followed a series of questions and answers regarding the anticipated work of the Building Regulations Advisory Committee and its reporting out, with it emphasized that reporting would be both to the Board and the Shareholders, with the first report requested to be no later than the March 2021 Annual General Meeting.

There was agreement that the use of the Zoom meeting was very beneficial and Bill McLean committed to the use of Zoom for a series of informal meetings that would provide for the same type of input as had previously been experienced at the open forum pool meetings utilized by the Board in recent years.

With no other business to come before the meeting, on a motion duly made and seconded and with no objection, the meeting was adjourned at 12:20 PM.

The entirety of this meeting was recorded via Zoom and is available at:  
[https://us02web.zoom.us/rec/share/eI-LGpw4fbcIHFd5Cd11Uz\\_RDViD7VsaHJGHHUsyagR-Qb3JOIrO9SL5Ovv6WUTi.sHOztoL3KGzpIWRk?startTime=1610204071000](https://us02web.zoom.us/rec/share/eI-LGpw4fbcIHFd5Cd11Uz_RDViD7VsaHJGHHUsyagR-Qb3JOIrO9SL5Ovv6WUTi.sHOztoL3KGzpIWRk?startTime=1610204071000)

Respectfully submitted,

Doug Young, Secretary

William J. McLean, III, President