



Cowpet Bay West

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September 19, 2025

Mr. Vincent Verdiramo, Esq.
3163 Kennedy Blvd
Jersey City, NJ 07306

RE: Your letter September 8, 2025 – Impact of Rental Activity at Cowpet Bay West

Dear Mr. Verdiramo,

Thank you for your letter dated September 8, 2025. Your letter raises some valid points, some not. The opinions in this letter are mine alone and do not necessarily reflect the opinion of the majority of the full Board of Directors.

Valid points include the level of rental activity is higher than our developers envisioned. The advent of Air BnB and other on-line rental platforms makes renting easier than ever before. Over the years, the office has received complaints from owners about short-term rental (STR) tenants' behaviors disturbing their peaceful enjoyment of their units.

Invalid points include the following - The cracking and spalling situations we are repairing cannot, in my opinion, be directly related to increased occupancy (STR related or otherwise).

More ambiguous is the cause of the failure of our beach well. We have been told it is a result of time (wells do eventually fail) more than anything else. But I will acknowledge the volume of water drawn out is likely also a factor. How much of each factor led to the failure is impossible to quantify. While we now must purchase water, an ameliorating fact is that water use is metered, and any increased usage is paid for by the unit owners.

I also serve as Chairman of the Insurance Committee. I have been in the commercial insurance business for over 50 years, mostly as a commercial property & casualty broker. Our underwriters are fully informed about the nature of our risk profile. However, crossing a tipping point to become a primarily "commercial" risk versus the current "residential" risk, would certainly cause premiums to increase. Past efforts to accurately measure the rental activity in CBW have not yielded concrete results. (I believe past survey efforts failed to elicit replies from all owners. The attempt a few years ago to have owners register their tenants was never fully complied with. This was always the responsibility of owner; our office will not, and shall not, take on a formal rental management role.) It is our estimation that we remain under 50% rental exposure, but this does not excuse this board from a deeper analysis of the rental activity and creating the framework to assure we remain a residential community and NOT slip into a commercial status.

Your letter has served as a catalyst to begin a conversation among directors about safeguarding our status as a residential community.

I would be happy to speak to you further about this to hear your ideas on options to control the Air BnB negative impact on our community.

Sincerely

Kevin M. Gregory
President CBW Board of Directors

CC: CBW Board of Directors