

MINUTES

6th ANNUAL GENERAL MEETING

March 21, 2014

THE OWNERS, STRATA PLAN BCS2634

(Minutes in order of conduct of proceedings)

Owners eligible to vote in attendance:

“B” fraction owners were entitled to vote at this Annual General Meeting (AGM).

16 “B” Units and 8 “B” Unit proxies were represented in person by Ken Delf, Painted Boat Developments plus 2 “B” unit owners present. Three other non-voting members attended the meeting.

Representatives of the Developer in Attendance:

Ken Delf, President, Painted Boat Developments

Representatives of the Management Company in Attendance:

Larkin O'Connor: Development Manager, Canadian Rocky Mountain Resorts/Painted Boat Management Ltd.

Trevor White: Controller, Canadian Rocky Mountain Resorts/Painted Boat Management Ltd.

Ryan Schmidt: General Manager, Painted Boat Management Ltd.

Recorder: Joan Foster

1. Registration of Owners and Certification of Proxies:

Ken Delf confirmed that 26 of the 31 “B” Units were represented in person or by proxy.

2. Determination of Quorum:

Quorum for an annual or special general meeting is eligible voters holding 1/3 of the strata corporation's votes, present in person or by proxy. It was therefore confirmed that a quorum was present.

3. Call to Order by Chairperson:

The meeting was called to order at 2:40 p.m. by the Chair, Ken Delf.

4. Proof of Notice of Meeting:

The Notice of Meeting dated February 3, 2014 was circulated to all owners by mail.

5. Approval of Agenda, Notice of Meeting, and Registration of Owners and Proxies:

Moved: Jonathan Kline

Seconded: Patrick Kleine

Carried. The Registration of Owners and Proxies, the Notice of Meeting, and the Agenda were approved.

6. Council Report/Report from the Developer:

Ken Delf reported on behalf of council and as the Developer.

- Developer owned (all 4 quarters) second floor units to have TV cabinet removed and larger HD TV's installed with an approximate cost of \$1300.00 per villa.
- Other second floor units that are partially developer owned are eligible for this upgrade if remaining other quarter-share owner(s) are willing to pay the proportionate share of the cost. For example if the developer owns 3 of the 4 shares, and if the other owner is willing to pay for their quarter share of the cost, the upgrade is possible.
- Interested quarter-share owners should contact Ryan Schmidt.
- Discussion re: whether new TV's could be part of the replacement program with the cabinets paid by interested owners. Ken Delf to explore the suggestion.
- The marina will be reconfigured to allow larger vessels, as there is limited space at the present time. Power connections will be improved, the docks, fingers, and pilings will be recycled.
- The marina ramp was covered in a superior non-slip material ensuring better safety for all.
- There are some sales coming, and overall interest is picking up. Larkin O'Connor reviewed marketing initiatives for CRMR that includes Painted Boat.
- There was a council meeting prior to the AGM. Council minutes will be posted on the owner's website.
- Security at weddings continues to be an issue along with noise and inconvenience, management was directed to address this more assertively.
- The Depreciation Report is available on the Owner's website. With a 7.3% increase in Strata fees the report recommendations can be satisfied without any special assessments to cover necessary maintenance for many years. Overall, the report is extremely positive and this should confirm to potential buyers (and financial institutions) that they can purchase with confidence.

7. Strata Manager's Report:

Capital Projects completed in 2013:

- Pool deck – repainted and refinished.
- Malaspina and Sakinaw Car Ports refinished.
- Front Post and Beam of Thormanby building refinished.
- Depreciation Report, first draft completed and on website for perusal.
- Planting upgrades and re-vamping of the main location sign planting bed.
- Gewls Turley of Tailgate Landscaping completed many upgrades, however due to time management and difficulties with hiring staff she is not renewing her contract.
- A new local landscape company has been engaged to focus on all garden beds, including replanting the Entrance area.
- Our Maintenance staff will take care of lawns.
- The landscape budget is similar to last year, but greater emphasis on mulching garden beds early in the spring. The Owner's Work Party will assist with this task.

Major Projects for 2014:

- Consider whether to switch service from Delta Coast Cable to Telus Fibre Optic

cable/internet service, benefits may include cost plus inclusion of a wi-fi booster and HD service for all villa units.

Strata Corporation:

- Replace Table Lamps in all Villas as required.
- Small wares replacements as required. Note that in all 3-4 share units cooking pots have been replaced.
- All front entrance doors refinished, to be completed by staff on site.
- Develop a process for replacing worn furnishings.

Proposed Capital Improvements:

- Resort Reception, Sakinaw, and Malaspina building fronts to be refinished.
- Further extension of the sprinkler system in the front entrance garden area along entrance road.

Resort Operations:

- Some staff positions have adjusted: Lori Pratt, Assistant Manager & Corporate Sales; Andrea Hobbs, Events; Thai, Front Desk Supervisor.
- Off-season occupancy continues to be challenging, 5-15% weekdays, 40-70% weekends.
- There are some opportunities for off-season catering (Christmas parties, Christmas in the Villa). New Year's Eve was successful with 85% occupancy.
- The 2014 bookings are very promising, with 18 weddings, 6 Corporate groups. In 2013 the European travellers (Fit bookings) were higher.
- Sell-out dates so far: 2 dates in each of May and June and every weekend July through September.
- In spite of the restaurant closure, the revenue attained in the 6 month time period was equal to 90% of the previous season when the restaurant was open for 10 months. The plan is to continue with the seasonal opening, with catering availability for off-season groups.
- The Spa has experienced a similar effect, reduced opening off-season has not negatively impacted the revenue.
- SCRD Water Treatment is under construction and at some point in the future the existing on-site water treatment plant will be redundant and may be sold.

8. Report on Insurance:

There was a general discussion on insurance. Painted Boat is included in the insurance for CRMR which is a benefit from a cost point-of-view. Some of the owners expressed concern as to the coverage with respect to earthquakes. That coverage apparently is included and added to the premium cost this year.

9. Review and Approval of the Minutes from the AGM held on March 22, 2013.

Moved by: Joan Foster
Seconded by: Patrick Kleine
Carried. The AGM Minutes of March 22, 2013 were approved.

10. Financial Statements for the Year Ended February 28, 2014 presented for the

Strata Owners Corporation

These financial statements were provided to the owners prior to the meeting. Discussion led by Trevor White. Note that financial statements are posted monthly on the Owner's website.

As of February 28, 2014

\$34,651 in the Owner's operating account

\$53,746 in the Contingency Reserve Fund

\$103,769 in the Replacement Reserve Fund

Income/Expense Statements:

Strata Corporation:

- The deficiency of expenditures over revenues was \$7958
- Insurance increased by \$5,447 due in large part to insurers perceived risk of earthquakes on the coast
- Propane costs were \$7,870 under budget, good news there
- Hydro costs increased by \$3,544 for common buildings and site lighting, it was noted that outside lights are on during daylight hours, management to arrange repair
- Water filtration was \$4,446 over budget due to the timing of ordering replacement filters
- Laundry was \$5109 over budget due to maintenance and repair costs

Owners Corporation:

- Total excess of revenues over expenditures of \$139
- Property taxes were \$1,126 over budget
- Power was over budget by \$4,324
- Cable TV was over budget by \$4126 due to billing structure change
- In-suite repairs and annual deep clean were under budget (combined) by \$11,253

Contingency Reserve Fund:

- The deficiency of revenue over expenses was \$19,366 this year
- The contribution to the CRF was \$23,007
- Expenditures were \$42,390 in part because of the pool deck repair, irrigation, building exterior work, ground maintenance and the cost of the required Depreciation Report at \$6435

Replacement Reserve Fund:

- The excess of revenues over expenses was \$18,213
- Total Expenditures were \$11,787 including room/front desk supplies, pool and fitness centre supplies, in-suite repairs and maintenance

Request to approve fiscal year 2014 financial statements.

Moved by: Jonathan Kline

Seconded by: Patrick Kleine

Carried. The Financial Statements were approved as presented.

11. Operating Budget for March 1, 2014 - February 28, 2015 presented.

Presentation by Trevor White

Budget notes:

- Overall there is a budgeted increase of \$51,000 which is 7.3% over previous budget and Strata fees will increase by this amount. Owners are reminded that strata fees for the previous year decreased by 4.14% because on April 1, 2013 the province removed the 12% HST and replaced it with 5% GST and 7% PST taxes. This resulted in a decrease in strata expenses last year. The effect is that the increase in strata fees this year is approximately 3% compared to the 2012 base year fees.
- The CRF contribution has a budgeted increase of \$25,000 due to findings from the Depreciation Report
- The total CRF contribution is set at 20% of the strata budget, for an approximate total of \$50,000 in 2014
- The Replacement Reserve contribution will be the same as last year (\$30,000)

Request to approve the Operating Budget February 2015 as presented.

Moved by: Patrick Kleine
Seconded by: Jonathan Kline
Carried. The February 2015 Operating Budget was approved.

12. Election of Strata Council

As per the Strata Property Act, the existing Council members resigned. Ken Legasse is unable to be re-elected for the coming year. Ronaye Matthew has expressed an interest, as has Julie Prior. The council members selected for the coming year are:

1. Ken Delf
2. Jonathan Kline
3. Patrick Kleine
4. Mike Harstone
5. Julie Prior
6. Paul Elkington if he is willing – if not another owner will be contacted

Moved by: Patrick Kleine
Seconded by: Jonathan Kline
Carried. The motion to appoint the above names to Council was approved.

13. Other business

AGM date – AGM to be held on a Saturday to make it easier for owners to attend.

From the disclosure statement:

6.2 Subsequent annual general meetings shall be held once in each year, and not more than thirteen months shall elapse between the date of one annual general meeting and that of the next. (Note: this means no later than April 21, 2015.)

6.5 Twenty-one day's notice of every general meeting specifying the place, the date, and the hour of the meeting, and in case of special business the general nature of such business, shall be given to all Owners and first mortgagees who have notified their interests to the Company, but accidental omission to give notice to any Owner or to any first mortgagee or non-receipt of notice by any Owner or any first mortgagee does not invalidate any proceedings at any such meeting.

14. Adjournment of meeting

Moved: Patrick Kleine

Seconded: Jonathan Kline

Carried. Motion to adjourn the meeting was approved.