



**MINUTES
7th ANNUAL GENERAL MEETING**

March 28, 2015

THE OWNERS, STRATA PLAN BCS2634

Conducted on site at lower level restaurant

(Minutes in order of conduct of proceedings)

Owners eligible to vote in attendance:

"A" fraction owners were entitled to vote at this Annual General Meeting (AGM).

Representatives of the Developer in Attendance:

Ken Delf, President, Alison Delf - Painted Boat Developments

Representatives of the Management Company in Attendance:

Walter Kohli, President, Sofien Management Ltd.

Lori Pratt, on site Manager

Tracey Thompson, Administrator

Recorder: Ken Lagasse

1. Registration of Owners and Certification of Proxies:

Ken Delf confirmed that 23 "A" Units and 1 "A" Unit proxy were represented by Developer or in person, plus 14 other non-voting owners and related persons attended this meeting.

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 11:07 a.m. by the Chair, Ken Delf.

4. Proof of Notice of Meeting:

The Notice of Meeting dated February 19, 2015 was circulated to all owners by mail.

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

Moved: Joan Foster

Seconded: Patrick Kleine

Carried. The motion to accept the Registration of Owner and Proxies, the Notice of General Meeting, and the Agenda is approved.

6. Council Report/Report from the Developer:

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

- There will be an effort to market some of the 9 full villas (these units owned by Developer) this summer. Vancouver area still seems to be ideal for prospects because of proximity of location. Pricing will be aggressive and all current and future owners should maintain confidence in PB resort especially now with new well experienced management, stable Strata fees, low property taxes, increased rental activities. Strong financial position of the Strata and the Developer. Carrying costs (Strata fee and property taxes) for Painted Boat resort is generally one half of the amount compared to what similar 4+ star resorts are experiencing. Financing could be available with certain Credit Unions.
- Rental and spa activities expected to exceed prior year's volume and everyone looks forward to successful high season.
- Depreciation Report mentioned. It was discussed that Council would perform a detailed review of the projected costs and timing to ensure reserve fund amounts are adequate. Overall, the Depreciation report is exceptionally positive and this should confirm to potential buyers (and financial institutions) that they can purchase or lend with confidence.
- Major initiatives for the past year included installation of new telecommunications infrastructure (TV, internet including high capacity Wi-Fi) which is a great improvement. Hook up to the SCR D water treatment has now been completed. Painted Boat water treatment system now redundant and available for sale. Also mentioned were activities involving continued provision of in suite supplies, outside structure refinishing and greater activity regarding landscaping and expanded irrigation system, power washed balconies and painting of some baseboards.

7. Strata Manager's Report:

Preamble: Canadian Rocky Mountain Resorts did not renew their management contract which ended effective Nov. 30 2014. Since that time there has been a transition of resort operations managed by the Developer - Ken Delf and Alison Delf very active - together with experienced staff, in particular Lori Pratt, Thai Johnston, Tayler Metcalfe, and Tracey Thompson. Considerable attention exercised by the Developer and Council to locate most appropriate management. New management now contracted and active, namely Sofien Management Ltd. and in particular it's President, Walter Kohli. All involved are enthusiastic about the prospects of having such an experienced, capable and connected management team that combines staff experienced with the resort as well as new staff members and suppliers.

Ken Delf introduced Walter Kohli. This is his first Strata managers report. His contract commenced in early March, 2015 and he has relocated his personal residence close by.

Property Manager's Report

Walter Kohli discussed his international background and experience managing large resorts (e.g. Westin properties) and other international responsibilities. Familiar with local area (recently managed Poet's Cove Resort) and the multitasking required (Strata regulations, owner and tenant agenda coordination, marketing for part-time rental (internationally and local), staff resources and infrastructure.

Introduced Lori Pratt who has been at Painted Boat for many years and who is thankfully now the resort manager.

Introduced Tracey Thompson who is managing banking and rental revenue for the owners. Discussed his vision and plans to have Painted Boat partner with local suppliers, perform cross marketing with local organizations, marketing for rentals to those located in the Pacific Northwest and attention to the corporate market during midweek and shoulder seasons, first Nations, and a continued approachable menu at The Restaurant (which is continuing with the multitalented chef Steven Boudreau and enthusiastic staff).

Mentioned that winter cleaning is now complete and there will be an upgrade of signs for the Marina. Grand opening of the resort with media and open house will be April 21. There will be coordination and highlighting of the Spa, which is a favoured destination for wellness programs combined with its facilities for relaxation. There will be new redesigned resort information binders and content prepared for all units. The initiative brought forward by Jonathan Kline, Council member, will be enacted with the help of Julie Prior, regarding an energy audit review for a light bulb replacement program that will have short-term pay back and major long-term electrical power cost reduction.

8. Report on Insurance

Feedback from owners and management initiative resulted in a new insurance policy that is now in place. Additional liability coverage as well as earthquake and directors liability are the major changes. Insurance coverage is coordinated with coverage paid by the property manager so that liabilities and risk management coverage is, in some instances, backstopped.

Owners should be aware that this insurance coverage now in place covers all owners with tenant liability and rental income coverage for 12 months should extensive damage occur.

Owners do not need separate insurance coverage for the contents of their units (except personal belongings if desired) or the risk involving tenants. Insurance coverage has been provided by Christie – Phoenix Insurance (Jeff Wilbee) brokers specializing in resort operations. Slightly reduced premiums have been experienced.

Owners were reminded that Strata policy is not to rent their units to third parties directly by themselves. All rentals must be enabled through the rental office. Use of owners unit can still be made by friends and relatives as long as they abide by resort policies. This activity is covered by the Strata and owner insurance coverage.

9. Review and Approval of the Minutes from the AGM held on March 21, 2014.

Moved by: Joan Foster
Seconded by: Patrick Kleine
Carried. The AGM Minutes of March 21, 2014 are approved.

10. Draft Financial Statements for the Year Ended February 28, 2015 presented for the Strata and the Owners Corporations.

These draft financial statements have been updated to reflect more current input than the projected amounts provided to the owners with the notice of meeting. Discussion led by Alison Delf. Note that financial statements are posted monthly on the Owner's website.

As of February 28, 2015

\$43,661 in the operating bank account
\$82,616 in the Contingency Reserve Fund
\$97,652 in the Replacement Reserve Fund

Income Statements:

Strata Corporation:

- The excess of annual revenues over expenditures was \$30,511 (\$30,522 under budget)
- Hydro costs increased by \$5,313
- Water filtration was \$6,422 under budget due to connection to municipal treatment plant (no longer have to maintain PB treatment plant)
- Ground maintenance was \$14,400 under budget due to more use of PB staff assisting with the work instead of increased use of outside contractors
- pool and fitness centre supplies were \$8,498 under budget

Owners Corporation:

- Total excess of annual expenditures over revenues of \$23,289
- Property taxes were \$7,449 under budget
- Power costs increased and over budget by \$11,353
- Annual deep clean over budget by \$7,266 as this year had to cover some units not able to be done in prior year
- Professional fees up \$7,302 because of costs of Depreciation Report and new management contracts

Contingency Reserve Fund (CRF):

- The contribution to the fiscal 2015 CRF remaining available for future years was \$28,870 (contributions after expenditures)
- Only major expenditure was cost of refinishing of partial building exteriors of \$10,614
- CFR funding is maintained at 20% of budgeted expenditures

Replacement Reserve Fund (RRF):

- The RRF expenditures exceeded its annual fiscal 2015 funding by \$6,116 because of higher costs of in suite maintenance, supplies and costly repairs caused by having to replace a floor that sustained water damage in one unit.
- RRF funding will remain at \$30,000 annually, an increase of \$5,000 initiated in 2014

Request to approve fiscal year 2015 financial statements.

Moved by: Joan Foster
Seconded by: Patrick Kleine
Carried. The financial statements approved as presented.

11. Operating Budget for March 1, 2015 to February 28, 2016 presented.

Presentation by Alison Delf

Budget notes:

- Owners are reminded that Strata fees for the previous year increased 7.3 % because of increases in the contingency reserve fund approved by the owners

Budgeted Strata operating expenses are reduced by \$27,905 or 12% from the prior year budget to closely match this fiscal 2016 budget with the prior year (fiscal 2015) actuals.

Budgeted Owners Corporation operating expenses are increased by \$25,354 or 6% from the prior year budget but now reflect expenses as actually experienced for fiscal 2015.

OVERALL 2% INCREASE FROM PRIOR YEAR

Request to approve the Operating Budgets for the Strata and Owners Corporations for fiscal February 2016, as presented.

Moved by: Madonna McLafferty
Seconded by: Patrick Kleine
Carried. The fiscal February 2016 Operating Budgets are approved.

12. Review and Approval of Amendment to Rotation Calendar 2016 to 2021

Lori Pratt presented reasons for modest changes in which the rotation schedule is determined. Changes will improve the availability of multiple continuous weeks for owners in the high season and ensure the maintenance week remains in mid to late November of each year.

Proposed motion:

That the rotation calendar for 2016 to 2021 be approved as presented to all owners in the notice of this AGM and at this meeting.

Motion by: Alison Delf
Second by: Paul Elkington

All those present and by proxy voting in favor. Motion approved.

13. Proposed Amendment to Disclosure in Regards to 3.2 Voting Rights:

Lori Pratt continued her discussions regarding required changes to legal documents for the change in voting rights related to changes to the rotation calendar.

Proposed motion:

That the following changes to disclosure statement and bylaws of the Strata plan BCS2634 be adopted.

Each Strata lot shall have one (1) vote in the Strata Corporation. With respect to those Strata lots owned by more than one quarter interest owner, the sublease provides that the quarter interest owner loses one week of use (which will occur once every four years) because of the annual one-week period of maintenance shall be entitled to exercise the vote allocated to the Strata lot at any meeting of the Strata Corporation held during that calendar year. In years containing fifty-three weeks, the vote shall revert to the next in sequence for voting.
Change underlined.

Motion by: Alison Delf
Second by: Paul Elkington

Everyone voted for the motion. Motion approved by majority vote.

14. Election of Strata Council

As per the Strata Property Act, the existing Council members resigned. Discussion ensued. The Council members proposed for the coming year:

Ken Delf
Jonathan Kline
Patrick Kleine
Mike Harstone
Julie Prior
Paul Elkington
Ken Lagasse
Don Buchanan -alternate

Moved by: Joan Foster
Seconded by: Alison Delf
Carried. The motion to appoint the above named to Council was approved.

15. Other Business Discussed

Ideas for methodology of TV upgrades in all units (not just units with a loft)
Costs of heating (propane) and choices of ways to reduce costs (temperature control policies and considering flex hydro rates that are higher at certain times).

Priorities for cleaning and replacement of soft items (mattresses, living room furniture) inside units.

Outline of plans for Sundays owner work party.

Mention of possible approach to owners to provide some marketing funds for attracting short term rental.

Encouragement for community involvement.

Encouragement for owners to attract buyers and corporate rentals.

Adjournment of Meeting

1 pm.

Moved: Patrick Kleine

Seconded: Paul Elkington

Carried: Motion to adjourn the meeting approved.