



**MINUTES
8th ANNUAL GENERAL MEETING**

April 2, 2016

THE OWNERS, STRATA PLAN BCS2634

Conducted on site at lower level restaurant

(Minutes in order of agenda and conduct of proceedings)

Owners eligible to vote in attendance:

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

Representatives of the Developer in Attendance:

Ken Delf, President - Painted Boat Developments

Representatives of the Management Company in Attendance:

Walter Kohli, President, Sofien Management Ltd.

Adam Paling, Resort Manager

Tracey Thompson, Administrator

Sharli Clayton, Guest Services Manager

Simon Gleeson, Chris McLaren (maintenance specialists)

Representatives of the Council in Attendance:

Ken Delf, Jonathan Kline, Michael Harstone, Paul Elkington, Julie Prior, Ken Lagasse

Absent with regrets (Patrick Kleine)

Recorder:

Ken Lagasse

1. Registration of Owners and Certification of Proxies:

The required number of D units' owners was represented by the Developer, in person or by proxy. 23 other non-voting owners and related persons attended this meeting.

2. Determination of Quorum:

Quorum for an annual 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, 2016 was circulated to all owners by mail.

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

Moved: Joan Foster

Seconded: David Minson

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 is increased interest in the remaining inventory of full villas (these units owned by Developer). Generally there is a more positive outlook for real estate in the area and the Sunshine Coast as a destination location for living and recreational use.
- Sofien Management has proven itself to be exceptional and has made a big difference in improved owner and renter experiences, upkeep, cost control, staff participation, and coordination of spa, marina and restaurant amenities. Painted Boat is truly a unique inclusive resort.
- Emphasize Painted Boat strata and owner fees are generally one half of the amount compared to what similar 4+ star resorts are experiencing. Fees are all inclusive and costs well managed. Spa activities are increasing favourably and are expected to exceed prior year's volume and everyone looks forward to a successful high season.

7. Strata Manager's Report:

Preamble: Sofien Management Ltd. and in particular it's President, Walter Kohli have now been involved as Painted Boat management for just over one year.

Walter Kohli presented a thorough report using a PowerPoint document that is available to all owners (as well as a .pdf version). There are many aspects to the management activities as they include all matters for the strata and owners budgets and operations as well as guest rentals and procurement of staff that perform multiple roles (guest reservations and services, regular maintenance, special maintenance projects, coordination of resort activities with ownership of the spa, restaurant and marina).

Strata Manager's Report Summary:

Introduced Tracey Thompson as key administrator who is providing invaluable assistance and manages banking, rental revenue, supplier procurement, and reporting to owners.

Proud to present those who are new team members described as multi-skilled exceptionally experienced and talented, namely:

Adam Paling - resort manager, just started. Much experience from Weston Whistler and other high-end hotels.

Simon Gleeson - multifaceted and full range of maintenance skills.

Chris McLaren - experienced maintenance provider including pool and marine facilities.

Sharli Clayton - guest services manager experienced with smaller hotels and resorts.

Key Operational Activities (from Sophien's report):

Increased rental revenue by \$154,192, a 17% increase over the prior year.

Initiated and continuation of monthly reports to Council and quarterly reports to the owners (with Tracey's assistance). Includes providing monthly reports to Council regarding monthly and year to date actual income and expense reports with year to date comparative to budget.

Conducted an extensive villas inventory to replenish utensils, equipment and linens. These supplies were quite diminished and will continue to be monitored especially considering the busier utilization of the villas for rental purposes.

Conducted comprehensive villa maintenance inspections to address wear and tear (resulting in grouting the showers and painting baseboards where needed).

Deep cleaned all villas, including professional carpet and furniture cleaning.

Thorough landscaping maintenance: pruning, planting 1,000 bulbs and removing debris (over 15 truckloads).

Replaced pool heater, pool pump, and the water tanks. The hot water tanks have now all been replaced.

Invigorated marketing with seasonal discounts and refreshed media content that has now heightened market awareness and penetration for PB regarding Sunshine Coast and Vancouver perspective customers.

Marketing Summary:

Review of updated website and photo library for media use, e-mail, rack brochures, contact with multiple community associations and media outlets, amenable relationships with tourism partners including BC Ferries Vacations, Harbour Air, Destination British Columbia, Sunshine Coast Tourism, and the Coast Chambers of Commerce (3). Multiple online campaigns including live broadcasts and very favourable participation with specific radio programming that provides inexpensive exposure with target audience, establishment of professional social media campaigns for Facebook and Twitter. Secured presence and PB voted as one of Wedding Bells (magazine) most loved wedding destinations in 2016. Initiation of established medical aesthetics on location at Painted Boat spa, expand promotions with e-mail database, growing presence in local communities, enhancing Painted Boat website, and creating in resort vacations piece inside units.

Proposed Areas of Focus 2016/2017- Phase 3 (final year after which all units will have new stainless steel BBQ's) of barbecue replacements and propane shutoffs (timers), Phase 1 Linen par-stock replenishment, Phase 1 villa utensil replenishment, villa entrance staining and caulking, LED bulb replacement, sprinkler installation at Thormanby and Princess Louisa, hot tub cover, landscape and eco repair, implement on-site security program. Also discussed proposed areas of focus 2016/2018.

Additional comments included mention of meritorious performance by Cheryl McKinnon to help market Painted Boat to media. She now belongs to Sunshine Coast Tourism Association. Mentioned that Sofien Management has spent \$54,000 of its own money for marketing in the first 10 months of its engagement, consideration of dynamic pricing during summer months and continued winter discounts that are working well for rental initiatives. More effort made to become involved in local communities. Excited about Steven Doucet (executive chef) and his team regarding what the restaurant will add to the resort's amenities and guest enjoyment. The restaurant will not be open for lunch as this staff rotation is not practical but will be open for tapas at approximately 3 PM and dinner afterwards, all to provide improved response to patron enjoyment.

8. Review and Approval of the Minutes from the AGM held on March 28, 2015:

Moved by: Jonathan Kline.
Seconded by: Michael Harstone
Carried. The AGM Minutes of March 25, 2015 are approved.

9. Financial Statements for the Year Ended February 29, 2016 Presented for the Strata and the Owners Corporations:

Tracey Thompson has provided owners and attendees with detailed financial statements. These financial statements have been updated to reflect year to date amounts and year to date % of annual budget. Discussion led by Ken Lagasse, Treasurer.

As of February 28, 2016

\$88,812 in the operating bank account.
\$83,728 in the Contingency Reserve Fund.
\$94,977 in the Replacement Reserve Fund.

Income Statements:

Strata Corporation:

- The excess of year to date revenues over expenditures for fiscal Feb. 2016 was \$27,569 (see motion at 15 below to allocate this excess to the Reserve Fund)
- No expenditures exceeded budget by a material amount for any of the line (expenses) items.
- The surplus (excess of revenue over expenditures) was made up of reduced insurance, propane, pool area costs.

Owners Corporation:

- Total excess of year to date revenues over expenditures of \$3,790.
- Property taxes were \$15,451 under budget due to reduced assessments.
- In suite repairs and room supplies expenditures were modestly over budget.
- Cable TV costs were over budget by \$8,049 due to new service enhancements.
- Costs increased and over budget by \$11,353.

Contingency Reserve Fund (CRF):

- The contribution to the fiscal 2016 CRF remaining available for future years was

- \$1,110 (contributions after expenditures).
- CRF funding is maintained at 20% of budgeted expenditures.
- Major expenditures paid by the CRF were hot water tank replacement and electrical refurbishing.

Note that it is expected that for the foreseeable next few years, annual contributions to the CRF will be spent as budgeted by management and approved by Council and owners. Budgets for the next 2 years have been prepared to ensure the 2nd and 3rd years of the 3 year maintenance, deep cleaning and replenishment of supplies is carried out.

Replacement Reserve Fund (RRF):

- The RRF expenditures exceeded its annual fiscal 2016 funding by \$2,675 because of higher costs of replenishing room and utensil supplies as planned. These items receive more use as occupancy rates increase.
- RRF funding will remain at \$30,000 annually, an increase of \$5,000 initiated in 2014.

Note that it is expected that for the foreseeable next few years, annual contributions to the RRF will be spent as budgeted by management and approved by Council and owners. Budgets for the next 2 years have been prepared to ensure implementation of the plans to replace BBQ's, maintain the exterior by continued staining and caulking, landscape upgrades, LED bulb replacements, and sprinkler installation (in discussion) .

Request to approve fiscal year 2016 financial statements.

Moved by: Ken Delf
Seconded by: Jonathan Kline
Carried. The financial statements approved as presented.

10. Operating Budget for March 1, 2016 to February 28, 2017 presented:

Presentation by Ken Lagasse, Tracey Thompson

Budget notes:

Owners are reminded that Strata fees for the previous year increased 2.0 %.

Fiscal 2017 Budgeted Strata operating expenses (including reserve fund contributions of 20%) are reduced by \$24,204 or 8% from the prior year budget. This fiscal 2017 expected expenditures based on historical amounts and continued approach by Sofien Management to utilize in house staff for most activities.

Budgeted Owners Corporation operating expenses are increased by \$17,384 or 4% from the prior year budget to reflect the increased marketing costs of \$25,000 previously approved (late 2015) for fiscal 2017.

FEES FOR FISCAL 2017 WILL INCREASE 1.4% OVER THE PRIOR YEAR.

Request to approve the Operating Budgets for the Strata and Owners Corporations for fiscal

February 2017, as presented.

Moved by: Ken Delf
Seconded by: Jonathan Kline
Carried. The fiscal February 2017 Operating Budgets are approved.

11. Review and Approval of Proposed Replacement Fund (Villa interiors):

The budget for fiscal 2017 includes:

BBQ's and propane shutoffs	\$ 12,600
Linen increase	8,000
Utensil replenish	12,000
Wall mounted bathroom amenities	7,600

The entire budget is utilized.

Moved by: Jonathan Kline
Seconded by: David Minson
Carried. The fiscal February 2017 Replacement Fund budget is approved.

12. Review and Approval of Proposed Use of Strata Corporation Reserve Fund:

The budget for fiscal 2017 includes:

Hot tub covers	\$ 3,000
Housekeeping rickshaws	850
Villa stain and caulking	14,600
Eco grid repair	3,000
Resort signage	2,200
Landscaping upgrade	4,800
Outdoor light fixtures	850
LED bulk replacements	4,750
Sprinkler installation	10,000

Moved by: Jonathan Kline
Seconded by: David Minson
Carried. The fiscal February 2017 Reserve Fund budget is approved.

13. Deferral of Depreciation Report 2016:

It was previously discussed that an update to the 2014 Depreciation Report may be useful. Cost was \$6,000. Further consideration concluded an updated Depreciation Report is not required and would not provide additional important information.

Motion by: Jonathan Kline
Second by: Julie Prior
Carried. That the updated Depreciation Report not be approved.

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: Ronaye Matthew

Seconded by: Joan Foster

Carried. The motion to appoint the above named to Council was approved.

15. Use of Fiscal 2016 Surplus Funds:

Motion by: Ken Delf

Second by: Jonathan Kline

The surplus operating funds for fiscal Feb. 2016 of \$27,569 be allocated to the Reserve Fund, effective immediately. Carried.

Tracey Thompson mentioned this surplus funding will have to be utilized to fund critical replacement and electrical wiring of 2 hot water tanks.

16. Other Business Discussed:

TV upgrades can be arranged for all units once all owners of the unit agree and fund the work which can be completed quickly.

The guest entrance and reservation area will be maintained at the spa until it is determined if this location creates a negative impact on the quiet environment required by the spa.

Rental policy of a minimum of 2 night stay is being considered (especially for high season).

Owners' occupancy reports would be reinstated on a quarterly reporting period.

Enhancement of exterior lighting at strategic locations is being planned and will be presented to Council.

Outline of plans for Sundays owner work party revealed (replacing of some of the plants in the 64 pots on the premises).

Encouragement for community involvement.

Encouragement for owners to attract buyers and corporate rentals.

17. Adjournment of Meeting

1:10 pm.

Moved: Joan Foster

Seconded: Paul Elkington

Carried. Motion to adjourn the meeting approved.