

The Proprietors Strata Plan #125

Annual General Meeting

The Shore Club

June 28, 2021

Minutes

In physical attendance:

Strata Board:

Stan Hartling

Jim Stanton

Via Zoom:

Charles Dickson, Chairman

Christian DeGrace

Steve McMurray

Management:

Pierre Beswick, VP of Resort Assets

Patrick Van Hamme, CFO

Karen Whitt, VP of Sales and Marketing

Paul Telford, General Manager

Joan Hagan, Dir. Of Owner Relations

Tracy McKenzie, Controller

Ben Hartling

Owners:

Kelli O'Shaunessey , Larry Shaia

Via Zoom:

Peggy Perlewitz, Gary Shaid, Karen Fix, David and Suzie Pendergast, Tim McConville, Dan DiPrete, Bill and Meichelle O'Brien

Welcome by the Strata Chairman

At 12:40pm Charles Dickson (CD) opened the #125 Strata Corp Annual General Meeting and thanked the team for their efforts in coordinating the meeting.

Stan Hartling (SH) then asked Joan Hagan (JH) to confirm that we had 50% of the owners either present or via Proxy to establish a quorum which is needed in order to conduct the meeting. This was confirmed.

Review of the 2020 Strata Financial Statements:

Patrick Van Hamme (PVH) explained the 2020 Financial Statements. Kelli O'Shaunessey (KO) questioned the salaried employees' payroll reductions. SH explained that at first, the salaried employees' payroll was reduced by 50% but they were only asked to work 50% of their regularly scheduled positions when it became unclear how much longer the island closure would remain due to Covid-19.

He further explained that as a company, The Hartling Group will do a broadcast payroll survey of our competition to make certain the 3 resorts are in line with regards to employee compensation packages with the competition.

Pierre Beswick (PB) added that the TCI Government did extend a one-time stimulus package of \$1200 to those employed in the hospitality industry and then another \$600 one to TCI Belongers only.

2020 Balance Sheet:

PVH explained the Balance Sheet and asked if there were any questions, to which there were not.

He further explained the Capex and the Major Capex Expenditures as well as the Reserve Fund. Larry Shaia (LS) commented that the balance in the Reserve Fund for 2020 was very low. SH reminded that the Capex and Major Contributions were suspended for most of the year 2020.

Review of the 2021 January to April Strata Financial Statements:

The Strata Fee reduction was put in place until July 1st and SH expressed his appreciation of how the team kept the financial results in under budget despite this reduction.

PVH explained the Balance Sheet, the Capex, the Major Capex and the Reserve Fund.

LS asked if the surplus in the Retained Earnings should be transferred to the Reserve Fund to start to increase the balance in that account. The Board will discuss and vote on the matter.

LS asked what the difference between the Major and Capex Reserves are. SH explained that Capex are typically items that have a longevity of 3-5 years and the Major Capex is more for items that will need to be replaced in about 15-20 years and is typically not touched until that time.

He further asked if there is a Capex study done to make sure the budgets are in line. PB stated that yes, they do hire a firm on the island, BCQS, approximately every 5 years to conduct this survey. This should be conducted next year.

LS asked if there was Business Interruption Insurance for the effects of Covid related cancellations on the island to which SH explained that the policy does not cover this. The Business Interruption Insurance did cover physical damage from hurricane Irma damage and the Strata Board used the funds in the Reserve Fund to cover the insurance deductible.

Jim Stanton (JS) inquired about the chaise cushions that were purchased for the Passover Group buyout at the resort as they are ill-fitting and now appearing to be very worn. The consensus was to have them removed and stored. Paul Telford to handle.

Water Sport Safety Measures:

SH stated that there has been a local Committee formed to address water safety issues, not only on Long Bay but island-wide. Two cameras were purchased to be affixed to the condo buildings so that poor behavior can be monitored and sent to the proper authorities.

It was also questioned by the resort to the DECR to see if the swim zone could be enhanced. They were told that it could go out by 75 feet, but not sideways. The cost to do this is approximately \$4000. JS made the motion to approve this expense. SH seconded it. A show of hands of the Board was requested and unanimously approved.

Dan DiPrete (DD) inquired as to whether there was a plan to combat beach erosion. SH stated that there was some beach erosion following Hurricane Irma and some sand was imported in. However, the majority of the erosion is from a change in the profile of the wooden walkway. There is an enormous amount of traffic which can remove some of the sand underneath. They have since reinforced the walkway structure which should help with this.

Re-election of the existing Strata Corp.

As there were no other owners who put their names forward to be considered for the Strata Corp Board, the existing Strata Board were re-elected.

At 2:00pm, the Strata Chairman, Charles Dickson officially adjourned the #125 Annual General Meeting.

Following the Annual General Meeting, the Strata Board Chairman and the Board members discussed and CD made the motion to approve the following and the Strata Board unanimously agreed:

- a. To move \$100,000 from the present retained earning into the major capex fund effective July 1, 2021
- b. To resume the Major Capex and Annual Capex funds assessments to 2019 levels effective July 1, 2021
- c. To resume the monthly Strata Fee Assessments to pre-covid levels. (Ie the same as January 2020) effective July 1,2021
- d. Assuming the motion "a" is accepted, \$200,000 will be placed into a term deposit to offset the existing balance and the movement of the retained earnings