

**Strata #25 Annual General Meeting
Thursday, June 21, 2007
The Sands**

The Annual General Meeting was held June 21, 2007 at The Sands, Hospitality Suite.

In attendance:

Owners:

Craig & Julie White
Linda Harper & Robert Demers
Michael Loeffler
Richard & Judy Long
Norm & Dolores Rogers
Gary Bateman
Dan & Maureen Kelly
Sally Crouse
Linda Horman

The Sands:

Stan Hartling, CEO
Darren Law, Managing Director
Joan Hagan, Director of Owner Relations
Veer Pudaruth, Financial Controller
Pierre Beswick, General Manager
Simon Parr, Director of Engineering and Special Projects

Stan Hartling (SH) opened the meeting at 8:45am and thanked everyone for attending.

It was noted by Joan Hagan (JH) that there is a confirmed Quorum for the meeting by those in attendance or by proxy.

Income Statement Jan-Dec 2006

Veer Pudaruth (VP) explained that the year-to-date Actual was \$1.4 million compared to the Budget of \$1.2 million. This is primarily due to the Special Assessment for Insurance which was budgeted to be \$220,000 but actually was \$390,881.

Payroll Actual was \$310,308 compared to the Budget of \$255,007. Security had been budgeted under Maintenance because at that time, we were possibly going to hire an outside company. The Total Subcontractors was over budget due to

the fact that we experienced challenges with the sewage treatment plant and we had an increase in trash removal, however this increase is in line with the current market price. Stan Hartling (SH) interjected that the cost for trash removal is cost shared with Hemmingway's at 30%.

Balance Sheet as of Dec 31, 2006:

VP reviewed the various Balance Sheet items.

SH then asked if anyone had any questions concerning the Balance Sheet: No objections were raised by those in attendance.

SH stated that if there were no further questions, we would close this portion of the agenda.

Capex:

Simon Parr (SP) explained that although we had budgeted to enhance the Gazebo area in 2006, this project was put forward until 2007 and has subsequently been accomplished. However, the landscaping needed more refreshing than planned resulting in a Budget overage.

The reason for the increase in Buildings Painted – Outside was that this really needed to be done. The Misc. Painting, Doors, etc project had been put forward until 2007.

Pool & Beach: The expense budgeted for the Marcite Repair did not need to be utilized as it is still under warranty.

Income Statement January to May 2007:

The total revenue is \$1,049,854.

Oceanside Marketing has a contracted charge of 17% that it can post to the account. However, VP stated that Oceanside Marketing has never charged the full 17% allowed in previous years. This year it was charged at full rate but Oceanside Marketing voluntarily contributed \$60,000 towards the CAPEX reserve.

The reason for the overage in Grounds is contributed to the increase in power which was as a result of the installation of much needed larger motors for the Sewage Treatment Plant which uses 50% more power.

Darren Law (DL) stated that although you will see a deficit in the Income Statement at this point, at year end we should have a surplus.

Michael Loeffler (ML) questioned the increase in the insurance costs. VP stated that in 2005 the amount charged was for 15 months. In 2006, the value of the property doubled, causing the increase in the premium. The cost increased from \$.88 to \$1.12. SH explained in detail how the insurance coverage was obtained. SH asked ML to help with the renegotiation of the insurance policy next year.

Balance Sheet as of May 31, 2007:

VP reviewed the various Balance Sheet items.

SH then asked if anyone had any questions concerning the Balance Sheet:

SH stated that if there were no further questions, we would close this portion of the agenda.

Capital Expenditure:

In Common Area, \$2500 has been spent on the new speed bumps which greatly reduces the speed of the taxi drivers entering the property.

As mentioned earlier, the Gazebo work has been completed.

Landscaping – the reason for the overage is that a new green chain link fence has replaced the decrepit old wooden one that was falling down. Also additional pumps have been purchased so in the event one fails, this way we will not have a delay in ordering a new one.

Radio for Communications: SP explained that Security, Maintenance, and Housekeeping staff all have new discreet two way radios which have replaced the loud, disturbing ones previously used.

SP explained that we have spent \$112,000 year to date versus the total budget of \$201,000 resulting with a balance left of \$90,000.

Linda Harper (LH) questioned the Grounds- Fencing and whether it was included in the 20 Year CAPEX and VP confirmed that it was included.

Norm Rogers (NR) asked whether they have caught up on all the repairs needed. SP said that they have been going through and identifying the areas, but the biggest challenge has been finding the right staff to complete the works needed. It was mutually agreed however that major strides have been achieved although there still are many preventative programs that need to be implemented.

SH commended SP for installing a more preventative maintenance program and that SP has been a great addition to the property and he has a great momentum going at the resort.

SH stated that this was the end of the financial review portion of the meeting and affirmed that there were not other questions from those in attendance.

Capital Expenditure – September 2007:

SP explained that the works scheduled for the closure in September are to include new decking in the Gazebo area which will be done in a teak wood. We will also be installing this wood around the hot tub and the main pool bridges which are currently stones. We will also be redoing the pathways.

SP noted that the Shower area now has a new teak floor which prevents slippage. Craig White (CW) complimented PB on the enhanced shower area. SP stated that this wood (balau) is the same wood used at the Amanyara Resort which is where we were able to purchase it from.

SH asked if anyone was opposed to using this teak, which no one was.

ML asked if the costs associated with these works will result in a special assessment to which SH replied that there would not because the management company has provided \$60,000 worth of funding towards this project and there are sufficient additional funds in the capex reserve.

SH thanked the Owners and the Board for authorizing the expenditures for these critical works and their support in trying to improve the resort and maintain the property values and investment for all owners.

LH asked about an increase in Public Relations efforts resulting from these works which DL stated would be discussed after the formal end of the meeting.

Re-election of the Executive Committee:

SH asked Joan Hagan (JH) to confirm that we still have a full quorum at this time while the re election vote is taking place, to which she replied that we had.

Gary Bateman (GB) made the motion to re-elect the existing committee and Dolores Rogers (DR) seconded the motion. A show of hands unanimously approved the re-election. ML asked for a more formal notice for nomination for the election to which SH agreed.

Any New Business:

Dan Kelly (DK) stated that they feel anxiety with the pool and beach area as guests continue to leave towels on chairs and not occupy them for some time and feels that no one is in charge in that area. PB stated that he has already ordered more signs for the area.

It was noted that the police using their ATV's race up and down the beach and eventually someone, probably a child, is going to get hurt. SH stated that he will write a letter along with the board to the authorities asking them to address this.

Sally Crouse (SC) asked if it were possible to relocate or add a pool/beach kiosk to the center as opposed to the side entrance of the beach which is right next to Hemmingway's. It was agreed that this might be a very good idea and will be studied by management, as it involves several issues such as dune crossings etc.

SH asked for any objections to possibly building a boardwalk from the center of the beach to the side. The general consensus was that this would be acceptable. SH will check to see if there is a problem obtaining permission to do so.

SH also suggested taking photographs of the vending structures and forwarding them to the Hotel Association as they often are unsightly.

SH recommended that if an owner sees a boat company approaching the beach in a non-designated area, that they take photographs of that as well as a way to report this illegal and dangerous activity.

LH inquired as to whether the new security system is working and documented properly to which SP replied that it was indeed.

NR asked if the screens were holding up after all these years. SH stated that the buildings would look better without them, the view planes from the balconies would be better and there would be increased lighting without them. He further stated that they are very expensive and practically impossible to keep properly clean. They will need to be replaced at some point. Julie White (JW) is currently looking at a retractable screen option. There was however, resistance from several owners in attendance who stated they feel very strongly that the screens although costly to maintain over time are very important and add greatly to the enjoyment of the unit. SH stated that he understood the varied views on this topic and concurred that it is simply being raised now as an initial discussion point as the replacement of the screens and the related framing will be an issue to be dealt with in the upcoming years.

As no further items were to be discussed, LH moved to adjourn the meeting at 11:10am. LH further commented that we have the best management team in place that she has experienced in her time as an owner.