



ANNUAL GENERAL MEETING
Proprietors of Strata Plan #50
Friday, June 17th 2016 at 2:00 pm
Regent Palms, Messel Ballroom

Meeting Attendees (Owners)

Alba Venture (AC)
Lou Bellotti (LB)
Anne Marie Bellotti (AMB)
Paul Donaldson (PB)
Pam Seidler (PS)
Mick McMullen (MM)
Kenny Rubin (KR)
Lynda Cooper (LC)
Susan Turcotte (ST)
Philip Wood (PW)
Lina Del Signore (LDS)
Anthony Depierdominico (AD)

Oded Levi (OL)
Catherine Donaldson (CD)
Sharon Hoot (SHoot)
Erica Seidler (ES)
Barry Seidler (BS)
Carolyn Gable (CG)
Travis Chmelka (TC)
Hal Francke (HF)
Catherine Caldwell (CC)
Peggy Wood (PW)
John Del Signore (JS)
Wilma Depierdominico (WD)

Board Members

Jim Nappo, Chairman (JN)
Stan Hartling (SH)
Pam Dash Seidler (PDS)
Charles Dickson (CDickson)

Palms Representatives

Jeff Morgan, General Manager (JM)
Sean Bassett, Owner Relations Manager (SB)
Tracy Mackenzie, Financial Controller (TM)
Dennis Voves, Chief Engineer (DV)

Hartling Group Representative

Karen Whitt, Vice President of Marketing and Sales (KW)

Conference Call-in

Kelly Carr, Regional Director and representative for Exclusive Resorts (KC)
Greg Boyce (GB)

1.0 Welcome by Chairman Mr. Jim Nappo

The opening welcome was made by the Chairman Jim Nappo, and the meeting commenced at 2:20pm.

2.0 Approval of AGM meeting minutes for June 2015

- Motion to approve minutes by JN. JN believes minutes were approved in December having seen them posted on the owner's website. All agreed.

3.0 Financials for 2015

- KW introduces Greg Boyce and Kelly Carr via conference call
- TM we did finish the year on a surplus of \$61,000. \$31,000 surplus from 2014 which was moved to the reserve fund
- TM power income was lower than usual because of the fuel factor on the island. Lower interest. Expenses - some of the line items are below budget. Some vacancies that took a while to fill
- TM Sewage treatment plant was lower. Pool and beach supplies over budget by \$22,000 largely due to pool towels.
- TM work permits fees were increased by Government
- SHoot is it necessary to have the hot tub so hot? DV responds that lots of guests complained that it wasn't hot enough so he adjusted accordingly
- CC asks about a problem with water leakage
- JN believes we lost about \$65,000 worth of water to a leak we discovered. 2/3 used by owner group and 1/3 used by Management Company. We applied the surplus from 2015 and partially into the capex. When we put it together it might be a net 0
- TM income from revenue is under. Power fuel factor again is remaining a bit low for us. Landscaping payroll is low. Manager did not join until May. ANG remains in place. Work permit will work itself out. All these items are under budget
- TM year to date we are at a \$10,000 surplus with a goal at the end of the year to breakeven
- JN we have to make sure that any other risks that are opposed to the common elements are addressed
- JN address any public legal issues that may occur. Our role and responsibility are the common property. Our budget is around \$2.8 million which is used on an operating basics
- JN our annual capital charge which is approximately \$195,000 which we spend on things like paddles or anything to enhance the guest experience.
- JN our major reserve currently stands at \$1.1 million dollars. The major reserve draw from the owner group is around \$330,000 per year. Could be used for the air conditioning etc.
- JN we have a firm by the name of WB financials who goes in and spot test the invoices.
- HF asks about business interruption insurance. HF said that we (owners) are not covered. He added that our fees are covered in that policy but rental income isn't. JN replies that owners can buy the insurance

- HF the insurance company who underwrites the property is the only one who will write the business interruption for the owners. LB says this is something new.
- LB I thought about insurance from United Reliance. I had business interruption insurance. If this is a new revelation that we can get than it may be worth it.

Update on maintenance/Capital Expenditure Works

- JN the efficiency of the AC system is not as effective. It turns out they probably weren't the best fit for this sort of the environment
- Spending between 20 and 50 thousand dollars a year for maintenance to ensure we don't have a safety hazard
- JN The current Freon chemical is no longer manufactured. These issues prompted a replacement of the AC system throughout the resort.
- JN it's being phased out over a 3 or 4 year period of time. This will probably take about 10 months from start to finish. Management will nominate someone from their team who will spearhead this project. They come back to us with a comprehensive proposal of cost, time period, electricity consumption, expected benefits etc. My guest would be next fall. It would likely require at least a month or so for each building to be shut down for installation.
- JN we are going to take a guestimate and say the project will cost around 2 million.
- JN that works out to about \$12,000 per bedroom.
- OL if we do have to close the resort I would think there are other project that need to be done are completed at the same time.
- SH technically they were looking at two months per building. We are looking to pick a period, get a lot of work out of the way. We need to come back with working knowledge that works for you. It's a bit of a balancing act.
- LB what the impact on water heater. Will they fit or not fit
- DV responds nothing changes. It will all fit
- SH the big advantage with the new technology AC system is that you will actually share a condenser with another unit which will be capable of cooling maybe 5 or 6 lockouts. You will only be metered for what refrigerant you demanded. So far it's been pretty efficient at the Shore Club
- JN opened the floor to any questions
- ES When are buildings going to get cleaned – JN late August
- LB is there any time we can change the date for the AGM besides June. JN agrees
- JN would it be possible to send out a survey to the owners and we'll tie it all up and make a decision. All agreed
- LB the vehicles that use to groom the beach. I don't see any anymore
- KW the regulation now won't allow us to use them
- KW we are trying to get DEMA to change their posture on it
- CC during events can we make sure persons parking on property don't park in owners spots. We allow it for guests, it's just not to be used by employees

- JM we are creating more protocols internally to deal with any staff who parks in owners parking spots
- OL from the meeting yesterday, there's a specific rule that says no one can have that list of owner email contacts. Can we make a motion for approval?
- SH replies it's just something that we are not in a position to do. JN the only way is under our agreement. The only one who can contact owners is the board Chairman. Strata Corporation would have to ask if owners if they want to share their emails. Otherwise it's a violation of the confidentiality ordinance which is the law of the TCI
- HF we have an owners page, I don't understand why there can't be a link to an intranet where owners can communicate with each other. Who doesn't want to communicate won't have to share their email address CD why don't we do a message? PD disagrees
- HF I don't see why that's so complicated
- JN either management or a rep who is a part of the corporation can send out the email to owners for the request
- JN the management company would have to set up the intranet page on the owner's website because they own the owners website.
- SH I would prefer if possible it's a way that we can also be involved in the communication.
- There are circumstances where stuff can be thrown
- SH I will confer with these guys and confer a method that we think will be the best way
- JN our sharing of your information is a breech. PD doesn't care about his info being shared
- KW added we can easily set up on the owner's website a chat room.
- CC I think we need to recreate the owners usernames and passwords
- LB risk to the common element – Dunes. I see dunes getting worst and worst. I see electrical outlets being installed. Plywood platforms are being placed on top of dunes. I photograph F and B dragging table and chairs over the dunes. The dunes at the Alexander gets better and better with the arrangement they have on their property.
- SH ok I agree. Is the rope a good idea? JN we'll do it
- ST I noticed that we are having problems from the Somerset and Alexander where guests are coming over and taking towels and using the swimming pool. Vendors are taking our towels as well
- PS I noticed a lot more police presence on the beach. It's a good thing as a deterrent
- PD not sure how you control other hotel guests from coming on property using the pools.
- SHoot there use to be in the early days a security at the board walk who will be more familiar with guest faces. We should bring that back. All agreed
- KR Beaches has a system where anyone who tries to get on the property the security guards are aware whether you're staying on the property or not. Not sure how they do it
- PD what was the negative variances on towels. TM we are actually on target this year
- How many security guards we have on payroll daily. JM We have 2.
- PS when I use to see Roland walking around, there would be more persons doing what they are supposed to be doing.
- CD has anyone replaced Roland?

- JM Sabrina Mai just started as Executive Assistant Manager. She's the main guest contact person
- JN Jeff come back to us with a cost to have additional security
- LB a lot of problems is whose hanging out at the activities desk. We need beach security
- JM we just approve a security booth this morning
- JN we just approved 2k to build a hut on the beach this morning
- CC whose tallying the votes. JN Tracy McKenzie
- MM before we vote, can each candidate introduce themselves?
- CDickson on the current board and served for 3 years.
- Jim Nappo (JN) chairman for the last 3 years. No a lot about the resort. Served as treasurer in the past
- Pam Seidler (PS) been on board for 3 years my husband and I run a company
- Stan Hartling (SH) Develop and been on the board since inception
- Lou Bellotti LB) original owner, I feel I have a good eye, common sense and like to represent
- Greg Boyce (GB) owner at the palms for 10 years and looking forward to getting more involved and looking forward to your vote.
- Lynda Cooper (LC) been an owner from the beginning. Would be honored to serve on the board
- Kenny Rubin (KR) been an owner for 10 years along with Anthony. Own residential properties that I run. Concerned with the look of the property. Have the best interest of everybody. Good things happening but always room for improvement
- PD feels that 5 choices are not necessary, voters only need to make choices they actually want
- KW I would like to on behalf of the management company, give a big thank you to the existing board. They do a lot more than you realized and have done an outstanding job on owners' behalf. Round applause to the Chairman

Meeting is adjourned at 3:45 pm