

**Annual General Meeting**  
Proprietors of Strata Plan #50  
Friday June 21<sup>st</sup>, 2019  
The Palms, Messel Ballroom

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## **Meeting Attendees**

### **Owners**

Mrs. Madeline Francke (MF)  
Mrs. Erica Nappo (EN)  
Mrs. Rory Murray (RM)  
Mr. Lou Gentine (LG)  
Ms. Sheron Hoot (SHo)  
Mr. Martin Schoffel (MS)  
Mr. & Mrs. Paul Donaldson (PD & CD)  
Mrs. Lynda Cooper (LC)  
Mr. Adrian Corr (AC)  
Ms. Catherine Caldwell (CC)  
Mr. & Mrs. J Vincent (JV)  
Mr. & Mrs. Philip Wood (PW)  
Mr. Barrie Romkey (BR)  
Mrs. Sandra Devries (SD)

### **Owner Representatives**

Mr. Patrick Kirby (PK)  
Mr. Jeff Blanchard (JB)

### **Board Members**

Mr. Jim Nappo, Chairman (JN)  
Mr. Stan Hartling (SH)  
Mr. Hal Francke (HF)  
Mr. Kenny Rubin (KR)

### **Palms Representatives**

Mr. Jeff Morgan, General Manager (JM)  
Mr. Butch Clare, Owner Operations Manager (BC)

### **Hartling Group Representatives**

Ms. Tracy Mckenzie, Group Financial Controller (TM)  
Mr. Dennis Voves, Chief Engineer (DV)

**1. Welcome and Greeting by the Chairman**

- **JN** Welcomed all in attendance and started meeting.

**2. Establishment of Quorum**

- **JN** confirmed establishment of quorum with owners in attendance and proxies with **JM**.

**3. Approval of the Minutes of the June 2018 Annual General Meeting**

- Minutes of the 2018 AGM were approved.
- **PD** requested to speak about insurance before proceeding with meeting agenda. He questioned the amount that is paid for insurance.
- **JN** In 2010 Lloyds of London was selected and they have performed fine. Strata has never met their deductible. Deductibles are different by buildings. From a banking perspective, banks will not take buildings as collateral.
- **PVH** noted that there was a thorough investigation into best insurance available.
- **HF** commented that our insurance coverage was good. He added that The Palms was one of two resorts to open by October 1 just three weeks after Hurricane Irma.
- **JN** A deductible higher than 5% has never been considered.
- **HF** noted that the management company has business interruption insurance. Our insurance covers strata fees. A few owners have business interruption insurance for the loss of room revenue. Many owners don't have it. Owners can be doubly insured if they choose.

**4. Review of Financial Statements 2018 Final**

**5. Review/update of Strata Budget 2019 YTD April**

- **TM** provided review and discussed in detail the variances. **TM** noted that some variances are just due to the time of the year. By the end of the year, those items will no longer have variances.
- **JN** provided an explanation of the variance report.
- **MF** noted allocation of light bulbs and difference in wattage. There needs to be consistency in ordering correct wattage.
- **JN** will have **JM** deal with that.

**6. Update on Maintenance/Capital Expenditure Work**

- **JM** provided the update. Resurfacing of the pool will be August 22<sup>nd</sup> to September 13<sup>th</sup>. An email notice will be sent to owners about the pool closure. Tiles for the side of the pool facing 72 West has yet to be determined. **JM** went through the other items on the report (ex. landscaping, tools, entryway bricks, etc.)
- **LG** commented that beach chairs and cabanas are in pathetic condition. They are a mess. For example, clamshells are ripped. Pool chairs are moldy looking. A new resort will be coming soon and competing with us.
- **JM** commented on the issue.
- **HF** Last year, we talked about re-finishing the pool chairs. The chairs by buildings 3-4-5 are those chairs. We are replacing the cushions. A huge improvement has been made.
- **MF** spoke of her experiences regarding pool and beach service.
- **CC** thinks butlers should not be allowed to setup chairs in the mornings. Pool and beach service was a nice experience here at The Palms in the past that no longer exists.
- **PD** wanted to know why there are no pool chairs in front of building five. **JM** responded that guests don't use that boardwalk as much. Also, chairs are being refurbished and when the refurbishment is done, there will be chairs there.
- **LG** asked if there are plans for this year for improvement to the beach chairs and clamshells.

- **JM** responded that slings will be replaced as necessary on the beach chairs. However, no money left in the pool and beach furniture budget for any clamshell work this year.
- **LG** doesn't want the image of The Palms to continue to go down.
- **JN** The Capex budget used to be under \$100,000. The board has been very sensitive about balancing the issue between too much capex and not enough. The major reserve is low due to AC and elevator project being done in three years. We continue to be cautious with reserve funding and state of the property.
- **JN** asked who will support by show of hands another assessment for P&B improvement? Most owners put their hands up.
- **JN** The high cost of shipping and duty lead to double or triple the cost compared to elsewhere.
- **BR** added to **LG**'s comments that there is a need for new beach chairs and clamshells. It's a shame to see the condition the resort is currently in. I am ashamed to sit in the clam shells, it's better to have nothing than to have torn clam shells. Everyone must sit at the pool since there are no chairs are on the boardwalk. Chairs at the hot tub should be removed due to safety issues. Let's go back to where we were.
- **LG** questioned the split between management company and strata for pool and beach expenses. TM provided explanation.
- **MM** This first time at an AGM. In his opinion, some of the beach staff are very rude. He questioned the budgets in the binder and requested an explanation. He doesn't understand why we don't have two hobie cats always available.
- Negative comments from various owners about pool and beach service and the poor status of pool and beach furniture.
- **SH** provided an overview of the budget. The clamshells are the originals and maybe it is time to replace them. The painting of the buildings is an example of what's priority. Give us something documented for us to address. For the pool and beach staff, it's very difficult to obtain permits to get people from abroad. He asked for owners to send letters noting the need for expat staff for the pool and beach area. Beach vendors are a concern and we must use outside security personnel.
- **LC** stated that she wants more pool & beach accountability. Arnel & Jai have a wealth of experience and this needs to be used. Emelio does a good job.
- **LG** asked if guests from the Shore Club are using our beach chairs.
- **JM** our pool and beach staff get aggravated when they have to deal with guests from Shore Club. Jai and Arnel go around to check names and room numbers of people using beach chairs.
- **SH** explained we do not promote guests from sister properties using pool & beach facilities.
- **MF** noted that staff should be trained to treat other guests respectfully.
- **JN** If someone else is using strata assets like beach chairs, we don't like it.
- **HF** spoke of non-guests using beach chairs at peak periods.
- **JN** The feeling is other people are using our assets. People in the room bought this stuff and others are using it. That's how they feel.
- **LG** The staff must do a better of job of policing the area. Print out guest list with names shows we care. The staff need to be hold accountable. We look at the security at the beach they are totally useless. Night security is a concern.
- **PD** One of the problems is the beach is public property and it can be a challenge. He has no problems with guests from the Sands & Shore Club coming to the Palms.
- **SH** stated that he will love to work with the owners regarding these issues. A lot of people that go to Shore Club don't go for the beach.

- **CC** can't expect owners to pay for chairs if they are being used by others.
- **SH** agreed. Asked everyone to be open minded about it. We should work on a more established plan.
- **JM** pointed out that we do take action. For example, the beach chairs and clamshells were removed from the far western edge as only non-guests going on Caicos Dream Tours excursions were using them.

## 7. Other Business

- A discussion started about the board structure.
- **JN** provided summary of history of size of the board. He noted that one board member wasn't present. He noted that he doesn't agree with Kelly Carr being a board member as she is not an owner but works for a private company that owns four units. She doesn't have the same interests as an owner. JN obtained a legal opinion and by ordinance she does qualify. Also, she was elected twice by the owners
- Some owners noted their agreement with JN.
- **JN** spoke about moving the AGM from June to the middle or end of January when there is normally a lull in business. JN asked for a show of hands for an informal vote. Ten owners supported the AGM moving to January and two voted against the move. JN indicated there would be follow up communication to all owners on this subject.
- Meeting was adjourned.