

**PACIFIC SHORES OWNER ENTERPRISES, LTD
REGULAR MEETING
BOARD OF DIRECTORS**

**SATURDAY, JANUARY 17, 2015
Pacific Shores Resort & Spa
Nanoose Bay, BC**

MINUTES

I. CALL TO ORDER / WELCOME AND INTRODUCTIONS

Chair, Kate Britton, called the meeting to order at 9:00 a.m. (PST) and established there was a quorum. Kate Britton welcomed the board members, acknowledged the guests and welcomed all to the meeting.

Board Members in attendance were:

Board of Directors

Kate Britton	Chair
Stuart Allen	Vice Chair (<i>via telephone</i>)
David Hillmer	Director of Finance
Harry Felsing	Secretary
Douglas Alexander	Director
Leonard Aylward	Director
Ken Chew	Director

Board Members Absent

Claus Flemming	Director
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Trading Places International

Joanne Hallert	Director of Resort Operations
Tanya Ogmundson	General Manager
Jason Conway	Rental Revenue & Distribution Manager (<i>via telephone</i>)
Gail Turner	Sr. VP Chief HOA Accounting Officer (<i>via telephone</i>)
Olena Goushcha	Sr. Accountant (<i>via telephone</i>)

Guests

Nikii Morrison	Executive Assistant, Pacific Shores Resort & Spa
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A. Introduction of Joanne Hallert

Chair, Kate Britton, introduced Joanne Hallert, Director of Resort Operations of TPI Management-Canada, Inc. as the new director in charge of Pacific Shores.

II. APPROVAL OF AGENDA

A motion was made by Leonard Aylward and seconded by Harry Felsing to approve the agenda as submitted and amended as follows:

*Move IV.C.3. & IV.A.1.
Add V.G. In Room Directories*

The motion was approved unanimously.

III. APPROVAL OF MINUTES

A. Minutes of October 17, 2014 – Regular Meeting

A motion was made by Harry Felsing and seconded by Leonard Aylward to accept the minutes of the regular board of directors meeting held on October 17, 2014 as presented and amended as follows:

IV.B.1. Through August 31, 2014

Change the second paragraph to "Director, Dave Hillmer recommended that management look at options of disposition for the four vehicles (ford, 2 golf carts, pick up)."

IV.B.3.i. Deed Back

Change second line from "It was discussed that the Directors agreed" to "It was discussed and the Directors agreed".

VIII. PSRC Report - No report

Change to

VIII. PSRC Report - Verbally given

See notes in AGM minutes of October 18th, 2014

Motion approved unanimously.

IV. REPORTS

A. Manager's Report

Tanya Ogmundson summarized the manager's report previously provided to the Board of Directors.

Highlighted items were:

- Removal of the fish tanks
- Entrance lights have been replaced
- Housekeeping has been going through safety and hazard training
- Dr. Biro will be starting treatments in the spa one Friday a month
- Wedding packages have been updated for 2015
- Maintenance has started on B side updates
- Working on selling Ford

Joanne Hallert advised that Board that their reserve study should be updated annually.

A motion was made by Harry Felsing and seconded by Kate Britton to postpone the reserve study for one year.

Motion was approved by majority.

A motion was made by Leonard Aylward and seconded by Ken Chew to give management direction to dispose of the Ford Escape for the best possible price that management can get.

Motion was approved by majority.

Management to ensure that any start up items that can now be shared with PSFRA and/or PSRC are invoiced.

Management is doing a housekeeping linen par analysis.

Management to obtain a quote on purchasing/installing 61 telephones for A side units.

Management to provide a colour and style plan for the updates.

Management is to talk to Mary Jo Betterley with Better Reserve Consultants to see what she thinks about styles and colours for the updates.

2015 Rental Operations/Distribution Plan

Jason Conway provided the 2015 Rental Operations/Distributions Plan for the Board to review prior to the meeting. Two items he wished to bring to the Board's attention were: booking behaviour, where in the third week in January 2015 B.C. showed as the leading province in Canada for average daily room rate, revenue per and occupancy; and where Pacific Shores stands in comparison to its' local competitors, currently number 2. We are also engaging 8 more OTAs (online travel agencies like booking.com & Expedia) to encourage more reservations.

Management will provide an overall synopsis of Pacific Shores' rental performance as well as specific information pertaining to PSOE at future meetings.

Management will review the tag and merchandizing of the units and provide a review at the next meeting.

B. Financial

Through November 2014

A motion was made by Harry Felsing and seconded by Leonard Aylward to accept the financials for November 2014 as presented.

Gail Turner verified that PSFRA paid their portion of the Canadianization of the PSRC contract in October 2014.

The A/R - TPC, A/R - Vacation Internationale & A/R - PSFRA are month end totals that are paid in the next month. The accounts remain current.

Of note, the PAP forms for 2014 were only good for one year. Management is contacting those owners (by email or phone) who had 2014 PAPs but have not returned one for 2015 to capture those payments. The 2015 PAP forms are perpetual. PAP forms have been coming in steadily and as a result accounting has processed batches of payments as they came in so that owners were able to make the 12 monthly payments.

Management to contact BC hydro and verify when strata hydro bill was transferred.

Management to look at the option to pay strata fees by PAP.

Through December 2014 – No Report

Delinquency Report

Gail Turner summarized the delinquency report previously provided to the Board of Directors. The delinquency rate is less than what was budgeted for in 2014.

Collections Report

Gail Turner summarized the Collection report previously provided to the Board of Directors.

Management to provide Dave Hillmer with: a breakdown of the uncollectable contracts listing the unit, amount owed, dates of the week and rental received.

Management to look the status of all owners and verify what the delinquent status pulls from.

Management to regularly review owners accounts to ensure we capture all the arrears accounts.

Deed Backs

Joanne Hallert presented the deed back reports that showed the status of the approved deed backs.

HOA Owned Inventory

The HOA Inventory list was provided to the Board of Directors prior to the meeting for review.

Management to provide Kate Britton with an HOA inventory monetized report.

C. Trading Places International Management – Canada, Inc.

Comment Cards

The Board of Directors reviewed the comments cards as presented.

The Board instructed management to add the entire Board to the Wufoo distribution list.

Occupancy Report

The Board of Directors reviewed the Occupancy report as presented.

Management to provide a breakdown of the no shows via reservation type.

Marketing Communications Plan

The Board of Directors were provided a copy of the Marketing Communications Plan to review prior to the meeting.

Gift Certificates for the resort are available for purchase.

Management will provide the Board with a recap and copy, if applicable, of all marketing information and materials outlined in the Marketing Communications Plan, by month for inclusion in each Board packet.

V. **NEW BUSINESS**

A. **Deed Back Letter**

The Board of Directors reviewed the letter that will be provided to any owner requesting a Deed Back. It advises owners of the association's position. Adjustments were made and provided to Management.

Management to provide letter to any owner requesting the association to take their property.

B. **PS Website Specials**

The Board of Directors reviewed the current specials presented to them. The specials are updated on the website as they change.

Management to ensure that owners are receiving the information first.

Resort Management is responsible for keeping the events portion of the website updated. Ken Chew will work with the resort team to suggest possible updates.

C. **RCI Silver Crown**

RCI has provided PSOE with Silver Crown status. We are currently meeting the requirements for Silver Crown with the exception of unit maintenance.

Management to look at employee incentives for attaining Silver and/or Gold Crown status.

D. **II Contract**

Joanne Hallert presented an II contract as well as an RCI contract for the Board to review and discuss at the April meeting. The current RCI contract with the developer expires 2016.

Management to look at having an II representative available at the next meeting to give a presentation.

E. **Bonus Time**

After reviewing the Bonus Time rates and turn over costs, management has found that the Bonus Time rate should be increased to cover cleaning costs while still proving a reward to owners.

A motion was made by Dave Hillmer and seconded by Doug Alexander to amend the bonus time rates for 2016 to \$49 plus tax for a hotel room; \$79 plus tax for a one bedroom; and \$99 plus tax for a two bedroom.

The motion was approved unanimously.

F. Picture Presentation

Harry Felsing presented the parting gifts, prints with plaques for Tom Newman and Walter Kohli.

Management to ensure that the gifts are forwarded to Tom and Walter.

G. In Room Directories

A motion was made by Kate Britton and seconded by Stuart Allen for management to move forward and have the contract signed with NADS for the new in room books.

The in room books are of no cost to the association.

The motion was approved by majority.

The Board of Directors is holding TPI Management-Canada, Inc. accountable for the cost of the original in room books.

VI. OLD BUSINESS

A. Action Items – October 17, 2014

The Action Items will be pulled from the minutes after each meeting and the updates will be presented at the next meeting.

Management to update the previous list with the corrections as follows: item 2, the recommendations were to sell the four vehicles and the carts are in process of being transferred.

B. 2015 BOD Meeting Accommodations – Ken & Dave

Ken Chew and Dave Hillmer will continue to monitor the PSOE RCI Account and how to use the points as well as book the meeting accommodations for the Directors.

Management presented the mileage reimbursement forms and rules for 2015.

A motion was made by Leonard Aylward and seconded by Dave Hillmer to set the mileage rate at \$0.55/km for the director expenses.

A motion was made by Leonard Aylward and seconded by Ken Chew to amend the original motion to state that the mileage rate is to be set to match the CRA standard which is currently at \$0.55/km.

The motion was approved by majority.

C. RCI Points Protocol - Ken & Dave

Ken Chew reported that they are working to eliminate the PSOE RCI Points account so that the inventory can be maximized through rental.

D. Float Week Update – Harry Felsing

Harry Felsing has reviewed the Float process with TPIMC.

A motion was made by Harry Felsing and seconded by Leonard Aylward to approve the first come first served process for annual float week allocations.

The motion was approved by majority.

VII. STRATA – REPORT

A. Management Report

- A portion of the seawall was closed this winter due to the weather and high tides. It is now open again and Strata has been repairing it as needed.
- The lattice at the Point is going to be repaired.
- There are a number of hazardous trees that will be removed from the property over the next while.
- Kate Britton invited the other directors to attend a future Strata meeting to gain a better understanding.

The Strata Council has elected to accept the proposal of TKGM&R to provide the scope of work in the Strata maintenance contract.

VIII. PSRC REPORT

Kate Britton reported on what has been happening at PSRC.

- The aquarium removals are on schedule.
- The restaurant will have live music and the sound has been tested as a precaution to ensure that guests and business in other areas can enjoy their other activities.
- The Store has been working with local artists and suppliers to have a variety of gifts available for purchase.

Management to request to the PSRC Nominees that the Front Desk aquarium remain with tropical fish as a feature.

Management to ensure that Dr. Biro has sufficient insurance coverage and that Pacific Shores is an additional insured.

The PSRC Nominees have created a Project Committee which will look at our community and how to address the financial shortfalls, ensuring owners' satisfaction and finding ways to make our community cohesive. Through this, a sub-committee was created to explore the two associations' differences and similarities. A director from each association has been assigned an area see how each association works and if there is a way to streamline the processes, as well as finding a way to work together as a unified team.

PSOE assigned as follows:

Claus Flemming - Unit maintenance/Refurbishments
Doug Alexander - Collections
Leonard Aylward - Rentals
Harry Felsing - Financials
Ken Chew – Meeting Accommodation Procedures and Costs

IX. EXECUTIVE SESSION

The board convened to executive session at 2:44 p.m. (PST).

The board re-convened to the board meeting at 3:30 p.m. (PST).

X. RESALE REPORT – Stuart Allen

TPI has done some research and made contact with people in the Resale industry and has reported back that there is no Resale market at this time. Other possible solutions are currently being investigated.

XI. ADJOURNMENT

The meeting was adjourned at 3:52 p.m. (PST).

Upcoming Meeting Dates:

April	18 th	Board Meeting at PS	2015
June	20 th	Board Meeting at PS	2015
October	16 th	Board Meeting at PS	2015
October	17 th	PSOE AGM	2015
January	16 th	Board Meeting at PS	2016