

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

**SATURDAY, APRIL 18, 2015 - 9:00 a.m. (PDT)
Pacific Shores Resort & Spa - Garden Room
Nanoose Bay, BC**

MINUTES

I. CALL TO ORDER / WELCOME AND INTRODUCTIONS

Chair Kate Britton called the meeting to order at 9:13 a.m. (PDT) and established that there was a quorum. Ms. Britton thanked the board members and guests for arriving early this morning. Ms. Britton welcomed Claus Flemming to the board. Kate also mentioned that Paul Dodds, the new Resort Manager, has been learning the workings of the resort and owners' associations quite fast and has been making great progress to date.

Board Members in attendance were:

Board of Directors

Kate Britton	Chair
Stuart Allen	Vice Chair (<i>telephonically</i>)
Johann "Harry" Felsing	Co-Director of Finance
Dave Hillmer	Co-Director of Finance
Leonard Aylward	Director
Doug Alexander	Director
Ken Chew	Director
Claus Flemming	Director

Trading Places International Management – Canada, Inc. (TPIMC)

Joanne Hallert	Director of Resort Operations
Olena Goushcha	Sr. Accountant (<i>telephonically</i>)

Resort Staff

Nikii Morrison	Executive Assistant
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Guest

Chris McGill	Interval International (<i>telephonically</i>)
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II. APPROVAL OF AGENDA

A motion was made by Len Aylward and seconded by Harry Felsing to approve the agenda with the following additions:

*V.A.G Wi-Fi
V.A.H Budget Finance Meeting
V.A.I Number of Directors
V.A.J AGM Format*

The motion was approved unanimously.

III. APPROVAL OF MINUTES

A. Minutes of January 17, 2015 – Regular Meeting

A motion was made by Len Aylward and seconded by Harry Felsing to approve the minutes of January 17, 2015 – Regular Meeting with following changes:

*IX. Executive Session
In Session 2:44 p.m. (PST)
Out of Session 3:30 p.m. (PST)*

*Re-label:
I.X. Resale Report to X. Resale Report
X. Adjournment to X.I. Adjournment*

The motion was approved unanimously.

IV. REPORTS

A. Manager's Report

The Manager's report was made available for the board of directors to review.
The following items were noted in the report:

- Kyiah Kristina Photography is leasing the front space on the main floor of the check in facility.
- The store is no longer open; however, the space has been turned into a common room with vending options.
- The Spa has new display space where the aquarium used to be.
- Smoke N' Water is now open 7 days a week.
- The Pool and Gym will be closed April 20-23 for deep maintenance.
- Laundry is now being done on site.

- Management is working with Strata where water damage has occurred in a few units, to have the units repaired in a timely manner.

B. Financial

Olena Goushcha thanked Harry Felsing for his assistance with the year end financials as well as the financials to date.

Through March 2015

A motion was made by Len Aylward and seconded by Ken Chew to receive the March 2015 financials as presented

The motion was unanimously approved.

Delinquency Report – February 2015

The delinquency report was reviewed by the board of directors as presented for both 2014 and 2015 to compare. Management clarified that 2015 did not include the PAPS where the 2014 one did. For each meeting management will provide a two year comparison for the past month so that the board of directors can see any variances.

Collections Report

The collections report was presented to the board of directors for review. Last year, approximately \$100,000.00 was collected through collections. The collection agency tries to collect on a file for 4-6 months.

Deed Backs

The deed back report was presented to the board of directors for their review. Trading Places is to continue with the current procedures that are in place.

Uncollectible

The uncollectible report was presented to the board of directors for their review.

Trading Places is to ensure that the maintenance fee invoices and usage forms go out at the earliest possible time so that owners can pay their fees on time and provide instruction on their usage as soon as possible. This will allow those owners in the first couple months time to reserve their time and pay their fees.

HOA Owned Inventory

The updated HOA Owned Inventory was provided to the board members for their review.

Estoppel Requests Procedure/Protocol

Kate Britton and Dave Hillmer will review each estoppel request as they come in and instruct how to proceed on a case by case basis.

C. Trading Places International Management - Canada

Comment Cards –RCI, TPI & TripAdvisor

The comment cards for RCI, TPI & TripAdvisor were presented to the board of directors for their review.

Currently, TripAdvisor comments are responded to by the Trading Places team. Trading Places is in the process of obtaining individual resort logins, so that the resort manager can respond to each comment themselves.

Occupancy Report

The occupancy report was provided to the board of directors for their review.

Rental Report

The rental report was provided to the board of directors for their review. Trading Places is in the process of instilling a reporting system where the data will be available immediately and not manually pulled to create a report.

V. NEW BUSINESS

A. PSOE Rental Pool

All PSOE rentals are to be pooled under one pool.

A motion was made by David Hillmer and seconded by Harry Felsing that all rental inventory is to be placed in the rental pool as stipulated in the rental agreement.

The motion was approved unanimously.

B. Newsletter Schedule

There will be three newsletters to go out each year.

- 1) Mid May - an Eblast
- 2) September – in the AGM package a hard copy
- 3) November (an AGM summary) – in the usage/maintenance fee mailer

C. PSOE Collections

Trading Places advised the board of directors that the company they normally use for collections, Meridian, is now licensed in Canada.

Management is to provide the board of directors with a copy of the Meridian agreement. Management will review the current collections contract and ensure that if PSOE is to move forward with Meridian, there will be no conflict or damaged relationship with the current collections agency.

D. Smoking Policy

Currently, guests are able to smoke on their decks. There are times when the smoke will drift to other units where it disrupts another guest's enjoyment of their unit or deck. If a complaint occurs, the front desk will contact the disruptive unit in question and ask them politely to be considerate of the guests around them as we have had a complaint. At this time, the resort is not able to deny smoking on the decks as decks fall under limited common property which falls under strata bylaws. The only way to change this would be by a vote at the Strata AGM.

E. Signing Authority Resolution

A motion was made by Len Aylward and seconded by David Hillmer to authorize Kate Britton to sign the "Authorization to Execute Transfer Documents" as presented.

The motion was approved unanimously.

F. Coffee in Rooms

The resort will place Keurigs in the B side of the units and have some kettles available for those guests and owners that request them.

G. Wi-Fi

Management is to look at having "Shaw Open" made available in the resort Centre.

Management is to review the PSOE Shaw connections as the internet connections have been dropping in the 700 block.

H. Budget Finance Meeting

Some of the board members may be attending a budget review at the Trading Places office in July.

The board of directors will set up a meeting for some time in August or September to review the 2016 budget prior to being distributed in the AGM package.

I. Number of Directors

This was tabled for a future meeting.

J. AGM Format

The format of the AGM for 2015 may change slightly with the morning session providing more seminar type information and have a financial summary provided during the AGM meeting only.

VI. OLD BUSINESS

A. Action Items – January 17, 2015

The Action items were reviewed and will be adjusted by removing all items that have been completed. A new Actions item list will be presented at the next meeting with the adjusted list and the additional items generated from the current meeting.

B. 2015 BOD Meeting Accommodations – Ken & Dave

David Hillmer and Ken Chew are looking at different options for the June meeting accommodations as RCI Points currently has no availability and they wish to keep the costs down.

October reservations have already been reserved.

C. 2016 BOD Meeting Accommodations

The dates for the 2016 meetings so far are scheduled for January 16th and April 2nd. David Hillmer and Ken Chew are working on these reservations.

D. II Affiliation Agreement

Chris from II (Interval International) called in to answer the board of directors' questions regarding the II system and PSOE's obligations.

A Motion was made by David Hillmer and seconded by Ken Chew to authorize Kate Britton to sign the II contract as presented.

The Motion was carried unanimously.

Management was directed to officially invite II to do a presentation to owners at the AGM in October.

VII. STRATA – REPORT

A. Management Report – Len Aylward

Len Aylward advised that Strata collected most of the outstanding receivables. TKG Maintenance & Repair is now managing the Strata maintenance contract.

The following items were noted in the report:

- 315B – the mold has been addressed and the exterior wall will be addressed once the weather is dryer

- 612AB - flooded from main sewer line – the repairs have been done and new carpet will be going in at the end of the month.
- 414A – Water damage to ceiling has been repaired
- 520/521 - decks are in the process of being repaired
- 417/418 - the solarium style is now a boxed in style
- Point hot tub is up and running again. The fencing around it has been updated to keep vandals out.
- 700 main waterfall is running again
- 500 Sewage lift station – sanitary products/incontinence products have been flushed a number of times causing issues. Signs are now in all the timeshare units advising not to flush items down the toilet.
- Water Supply – it was found that we were losing 1.2 million gallons of water due to pipes that were broken. This pipe has been repaired; however, the whole system, as it is below code and very brittle, will need to be replaced eventually, but it will be very costly.
- Mulch Mania – April 11th and 12th a number of volunteers, made up of owners and staff, participated in spreading 80 yards of mulch in the gardens.
- 700 block water feature by 710 is now working.
- A number of problematic trees have been removed.
- The Kerr Group is donating a Pacific Shores sign for the front entrance and the water feature there is now running.
- There are new fenced areas for the refuse bins as well as a smoke shelter for guests near the gym.

Len Aylward is to let Strata know that there are a number of skinny trees at the far side of the 700 block that rub against the building when it is windy.

VIII. PSRC REPORT – Kate Britton

Kate Britton presented the PSRC report.

The following items were noted in the report:

Smoke N’ Water is staying busy and provides live music on Wednesdays and Saturdays with Wednesday being open mic night. They are looking to provide live music on the grounds on Thursdays. This will include food provided outdoors and finish at a reasonable hour.

The aquariums that were removed from the resort centre are now in Deep Bay. One of the smaller aquariums will house a special octopus exhibit. The exhibit will be complete later this year for public viewing.

The Fitness area is facing some challenges with aged equipment. It is currently a strength training area while proposals are being sourced for upgrading.

Stand up paddle boards as well as kayaks will be available for rent soon at the resort.

An ATM is now available in the lobby.

The Pool and Gym rates are as follows:

Regular memberships: \$365 a year and \$50 a month

Owners: \$99-\$149 a year and \$8.25-\$12.50 a month

Walk in \$10 per adult/\$15 per family (max. 4)

PSRC did a cash call to the two associations to cover the deficit from 2014. PSRC is reviewing the budget to minimize any future cash calls.

IX. EXECUTIVE SESSION

The board convened to executive session at 4:03 p.m. (PDT).

The board re-convened to regular session at 4:09 p.m. (PDT).

X. ADJOURNMENT

A Motion was made by David Hillmer and seconded by Doug Alexander to adjourn the meeting at 4:11 p.m. (PDT).

The Motion was approved unanimously.

Chair Kate Britton called the meeting back to order at 4:37 p.m. (PDT).

A motion was made by Kate Britton and seconded by Harry Felsing to have a meal on the Saturday night following the PSOE board meeting to include each director and their spouses. The cost for this would fall under their director's expenses that are covered by the association.

The motion was approved unanimously.

A motion was made by Kate Britton and seconded by Claus Flemming to contract Smoke N' Water for the meals that are designated onsite in supporting the commercial centre. A minimum 2 of the 4 meals per year will be designated onsite.

The motion was approved by majority with 5 in favour and 3 opposed.

A motion was made by Claus Flemming and seconded by Harry Felsing to adjourn the meeting at 4:51 p.m. (PDT).

The motion was approved unanimously.

Upcoming 2015 Meeting Dates:

June	20 th	Board Meeting at PS
October	16 th	Board Meeting at PS

October 17th PSOE AGM