

"DOMUS"
STRATA CORPORATION BCS528
1055 HOMER STREET, VANCOUVER, B.C.

MINUTES OF THE ANNUAL GENERAL MEETING OF THE OWNERS OF STRATA PLAN BCS528, "DOMUS", HELD IN THE LOUNGE AREA, 1055 HOMER STREET, VANCOUVER, BC, ON MONDAY, DECEMBER 1ST, 2008 AT 7:00 P.M.

IN ATTENDANCE:

38 Owners were represented (35 in person, 3 by proxy) at the Annual General Meeting.

REPRESENTING RANCHO MANAGEMENT SERVICES (B.C.) LTD.:

Joseph Tsang, Senior Strata Agent Mike Elliott, Junior Strata Agent

1. CALLING OF THE ROLL AND CERTIFICATION OF PROXY

At 7:00 p.m., Joseph Tsang informed Owners that a quorum did not exist, and that in accordance with Section 27 of the Strata Bylaws, the meeting would reconvene in 30 minutes. The number of Owners represented at that time would then constitute a quorum.

2. CALL TO ORDER

The reconvened meeting was officially called to order at 7:30 p.m.

3. PROOF OF NOTICE

The *Strata Property Act* requires that Owners be notified at least fourteen days in advance of an Annual General Meeting. Owners were advised that notice of tonight's meeting was mailed on November 12th, 2008, giving Owners 21 days advance notice. It was **MOVED, SECONDED**, and **CARRIED** unanimously that the November 12th, 2008 notice of the meeting be deemed in compliance with the notice requirements of the *Strata Property Act*.

4. MINUTES OF PREVIOUS MEETING

Owners were advised that the notice of tonight's meeting contained minutes of the November 26th, 2007 Annual General Meeting for the Owner's review and approval. There being no errors or omissions, it was **MOVED, SECONDED** and **CARRIED** unanimously to adopt the minutes of the Annual General Meeting of November 26th, 2007, as circulated.

5. COUNCIL PRESIDENT’S REPORT

Charles Bilash, the retired Council President, summarized the following 2008 highlights:

- i. **Contingency Reserve Fund** – Council and the Strata Agent analyzed the Contingency Reserves to ensure the Strata will have sufficient funds to meet anticipated capital projects.
- ii. **Building Envelope Warranty Review** – In advance of the expiration of the Building Envelope warranty, Council retained Morrison Hershfield to prepare a Building Envelope Assessment and identify any warrantable deficiencies. Council was successful in having the Warranty Provider resolve all warrantable issues identified in the report. One issue observed by Morrison Hershfield was a moisture problem in Suite 705. Strata submitted a claim to the Warranty Provider, but the claim was denied when the Warranty Provider found no active water intrusion. Strata then re-engaged Morrison Hershfield to conduct further testing. This new testing confirmed the Warranty Provider’s finding that there was no active water leak and therefore no warrantable deficiency. Due to the potential for litigation surrounding this issue, Council retained an attorney to review the matter. Council was advised that the Strata had done everything required to resolve the issue, and therefore should have no legal exposure.
- iii. **Elevator Advertising** – As instructed by Owners at last year’s Annual General Meeting, Council negotiated with the Elevator Monitor vendor. Although we were unable to sever the contract, Council was successful in having all commercials with sound (including movie trailers) removed from the “Domus” elevators.
- iv. **Bicycle Room Reconfiguration** – Without spending the funds authorized at last year’s AGM, Council reconfigured existing space in the bike rooms, thereby accommodating almost all Residents who requested a bicycle stall. There is now a complete inventory of bikes in the Bike Room, an official Waiting List and new Rules posted in the Bike Rooms.
- v. **Gym Improvement** – A new elliptical trainer and weight rack were added to the gym.
- vi. **Hallway Painting** – Special thanks to Resident Manager David Lam for painting all the hallways.
- vii. **Washing Machine Hoses** – The rubber hoses on all the washing machines were replaced with braided hoses in an effort to prevent unnecessary water leaks.
- viii. **Olympic Survey** – Council conducted a survey of Owners regarding the 2010 Olympics. A majority of Owners felt that:
 - a) Strata should lease out the Guest Suite at market rates during the Olympics;
 - b) Owners who rent out their own Suite should pay an extra fee during the Olympics; and
 - c) That Strata should increase building security during the Olympics.
- ix. **Enterphone Lease** – Strata renegotiated the enterphone lease and achieved a savings of approximately \$8,100.

6. FINANCIAL REPORT

The Treasurer, Noel Evans, reviewed the financial statements for the period ending October 31st, 2008. Owners were informed that the year ended with an operating deficit of \$4,812, or 1.1% of the total budget. Mr. Evans explained the factors which contributed to the operating deficit. Following discussion, it was **MOVED, SECONDED, and CARRIED** unanimously to approve the financial statements ending October 31st, 2008, as presented.

7. INSURANCE REPORT

The insurance certificate from BFL Canada Insurance Services Inc. was attached with the notice of the meeting as required by the *Strata Property Act*. Owners were advised that the building is currently insured for \$34M (as per the latest appraisal), with limits of \$10M for general liability and \$5M for Directors and Officers. Owners were informed that water, sewage backup, flood damages and earthquake are included in this policy. The various deductibles were reviewed. Due to a high number of claims, the carrier increased our water damage deductible to \$25,000. Owners were encouraged to prevent water damage by turning off their dishwashers and washing machines when leaving their suite, and also to review their insurance policy to ensure they are fully covered if they are assessed for reimbursement of Strata's \$25,000 deductible.

Owners were reminded that the Strata's policy only covers original fixtures installed in the Strata lot, and that the Strata's policy excludes individual contents or improvements made by Owners. Owners should carry their own “tenant” package insurance for such coverage, including alternative accommodation if their suite is being repaired due to unforeseen damages. Owners are encouraged to consult with their own insurance company to determine if they have the appropriate insurance coverage. If Owners desire, BFL Canada Insurance Inc. offers a “Regal Program” which provides added coverage for individual Owners whose Strata insurance policy is insured by BFL Canada.

Following discussion, it was **MOVED, SECONDED and CARRIED** unanimously to accept the insurance report as discussed.

8. PROPOSED OPERATING BUDGET FOR 2009

Noel Evans reviewed each category of the proposed 2009 operating budget, informing Owners that the proposed budget includes an increase of 14.57% in overall Strata fees. The increase will fund a 9.2% increase in operating expenses, plus a \$17,000 increase in the contribution to the Contingency Reserve. Following discussion, it was **MOVED, SECONDED, and CARRIED** unanimously to approve the 2009 budget with an increase of 14.75% in Strata fees as presented.

9. CAPITAL BUDGET

Noel Evans reviewed the “Domus” capital budget, detailing expected capital expenses through 2020. A Contingency Reserve Plan was developed to ensure there are sufficient funds to replace major building components as their useful life expires. In order to avoid exorbitant special levies when a building component fails, Council proposed an increase in the annual Reserve contribution, plus a series of modest levies (averaging about \$350 to \$500 each) in certain years between 2009 and 2020. This will allow the Strata to complete all future capital projects, and still have a minimum of \$100,000 in the Contingency account at the end of 2020.

10. ¾ VOTE RESOLUTIONS

Owners were reminded that ¾ Vote Resolutions require the support of at least 75% of the Owners represented at the meeting. With 38 Owners represented, 29 Owners must vote in favour in order to carry the ¾ Vote Resolutions.

- a) **Resolution I:** Owners were informed of a \$3,470.80 surplus from a prior special levy. Resolution I cleans up the balance sheet by moving this surplus into the Contingency account. There being no discussion, it was **MOVED, SECONDED, and CARRIED** unanimously to approve Resolution I as presented.
- b) **Resolution II:** Owners were informed of a \$4,812 operating deficit in the recent fiscal year. Resolution II transfers money from the Contingency account to cover this deficit. There being no discussion, it was **MOVED, SECONDED, and CARRIED** unanimously to transfer \$4,812 out of the Contingency to pay off the 2008 operating deficit.
- c) **Resolution III:** Nathan Hall informed Owners that “Domus” utilizes six (6) hot water heaters to generate hot water. These heaters have a life expectancy of up to 5 years. Two (2) were replaced about one year ago; two (2) more have recently failed and need immediate replacement; the final two (2) will likely need to be replaced next year. With an estimated replacement cost of \$7,500 each, the Strata will likely spend \$30,000 to replace the remaining four heaters, plus another \$45,000 when these new heaters fail in about 5 years.

In order to save money, Council is considering a boiler system with storage tanks, instead of the traditional stand-alone hot water heaters. The boiler has a 10 year warranty, and the life expectancy of the storage tanks is estimated at 5 to 10 years. Preliminary quotes for a boiler system range from \$40,000 to \$65,000.

Resolution III allows Council to continue researching the best system to produce hot water for “Domus”, and to proceed with whichever system is deemed most cost-effective. Following discussion, it was **MOVED, SECONDED, and CARRIED** unanimously to adopt Resolution III as presented.

10. ¾ VOTE RESOLUTIONS – CONT'D

- d) **Resolution IV:** Niknaz Kahnamoui informed Owners that the Building Maintenance Manual recommends certain ongoing maintenance to protect the Building Envelope. Resolution IV transfers up to \$30,000 from the Contingency to carry out required building envelope maintenance in 2009, including a full inspection of the exterior of the building, and caulking of any cracks found. There being no discussion, it was **MOVED, SECONDED, and CARRIED** unanimously to approve Resolution IV as presented.
- e) **Resolution V:** In order to fund additional security, Owners expressed support to increase move-in and move-out fees for Owners who rent their furnished Suite during the Olympics. Resolution V temporarily amends Section 41, subsection 6 of the “Domus” Bylaws, to read “\$200” instead of \$100. Following discussion, it was **MOVED, SECONDED, and CARRIED** unanimously to adopt Resolution V as presented.
- f) **Resolution VI:** In order to maximize Strata revenue, Owners expressed support for leasing the Guest Suite at market rates during the Olympics. Resolution VI allows Council to lease the Suite to non-residents from January 1 to March 31, 2010. Following discussion, it was **MOVED, SECONDED, and CARRIED** to adopt Resolution VI as presented.
- g) **Resolution VII:** Joseph Tsang informed Owners that the north elevation usually bears the brunt of wind-driven rain and typically requires more maintenance than other elevations. Therefore, Resolution VII allows Council to transfer \$5,000 out of the Contingency account to pressure wash the north elevation. There being no discussion, it was **MOVED, SECONDED, and CARRIED** to approve Resolution VII as presented.

11. ELECTION OF STRATA COUNCIL MEMBERS FOR 2008/2009

Pursuant to provisions of the *Strata Property Act*, Council members for 2007/2008 automatically retire at the end of the current fiscal period. The floor was opened up for volunteers to serve on the 2009 Strata Council. The following Owners volunteered:

<u>Council Members:</u>	<u>Unit Number:</u>
Niknaz Kahnamoui	503
Lucinda Iglesias	1005
Noel Evans	2103
Peter Skinner	2501
Charles Bilash	2602

It was then **MOVED, SECONDED, and CARRIED** unanimously to declare the above elected.

12. NEW BUSINESS

- a) **New Resident Package:** An Owner suggested that Strata prepare an information package for new Residents to familiarize them with important information about "Domus".
- b) **Lane Garbage:** A discussion was held regarding transients loitering in the lane, as well as the improper disposal of household refuse. In order to spur the City to clean up the lane, Council agreed to draft letters for posting on the Rancho website. Owners were requested to download the letters and mail to City Hall.
- c) **Treadmill:** An Owner mentioned that the treadmill in the gym is not working.

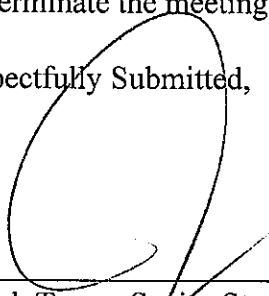
13. NEXT MEETING

The next meeting will be a Strata Council Meeting. The meeting has been scheduled for Monday, January 12, 2009 at 7:00 p.m. The meeting will be held in the meeting room at 1055 Homer Street, Vancouver, BC.

14. TERMINATION

There being no further business, it was **MOVED, SECONDED** and **CARRIED** unanimously to terminate the meeting at 9:15 p.m.

Respectfully Submitted,



Joseph Tsang, Senior Strata Agent
Rancho Management Services (B.C.) Ltd.
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HOLIDAY GREETINGS

At this time, Rancho Management Services would like to wish everyone the best of the Holiday Season!

Please note that during the Xmas Holidays and the New Year period any emergency situations can be handled by contacting Rancho's 24 hour emergency number.

RANCHO'S XMAS HOURS

FRIDAY, DECEMBER 15	CLOSED AT 1:00 PM
FRIDAY, DECEMBER 22	CLOSED AT 3:00 PM
MONDAY, DECEMBER 25	CLOSED
TUESDAY, DECEMBER 26	CLOSED
FRIDAY, DECEMBER 29	CLOSED AT 3:00 PM