

**MINUTES OF ANNUAL GENERAL MEETING
CLASSICO – STRATA PLAN BCS 460
STRATA CORPORATION**

**TUESDAY, OCTOBER 27, 2015 AT 7:30 PM
PARTY ROOM – 1328 WEST PENDER STREET, VANCOUVER**



430 – 1200 West 73rd Avenue
Vancouver, BC V6P 6G5
Tel: (604) 685-3828 / Fax: (604) 685-3845

**PACIFIC QUORUM 24-HOUR EMERGENCY SERVICE: 604-685-3828
CLASSICO DIRECT CONTACT: 604-202-2868**

MANAGEMENT PRESENT: **Paul Kral, Senior Property Manager**
Pacific Quorum Properties Inc.
pkral@pacificquorum.com / Direct Line: 604-638-1961

1) REGISTRATION

Registration for the full Strata Corporation commenced at 7:20 p.m.

2) CALL TO ORDER

The Property Manager, Paul Kral, declared a quorum, and called the meeting to order at 7:20 p.m. Roman Piechocki, the Council President, thanked everyone for taking the time to attend. Roman then asked Paul Kral to facilitate this meeting. As there were no objections, Paul continued with the meeting.

3) CERTIFYING PROXIES & NOTICE OF QUORUM

Paul Kral of Pacific Quorum Properties reported on the quorum. The attendance register was taken, and it reflected that there were 34 Owners present, representing 34 votes, and 67 present by proxy representing 67 votes, totaling 101 votes available for the meeting.

4) FILING PROOF OF NOTICE

The Owners were advised that the Proof of Notice for the Annual General Meeting for BCS 460 was filed in the Strata Corporation's records at the offices of Pacific Quorum Properties Inc.

5) ADOPTION OF PREVIOUS GENERAL MEETING MINUTES

It was:

MOVED/SECONDED

To approve the Minutes of the Annual General Meeting held on September 23, 2014. The vote was called:

IN FAVOUR	101
AGAINST	0
ABSTAIN	0
CARRIED	

6) PRESIDENT'S REPORT

For the benefit of the new Owners, and as a refresher for long-time Owners, I will briefly summarize how our organization is governed.

Although the Strata is not really a “business corporation”, and is generally not table, it does function as an employer, investor, purchaser and vendor of assets. The term “Corporation” used in the “*Strata Property Act*” is only to identify the collective Ownership of assets and common property as set out in the strata plan.

The Strata Council, elected at Annual General Meetings (AGMs), represents the Corporation, and is the delegated authority of the Corporation for its administration and for the enforcement of the Strata bylaws and rules.

The Council must have at least 3 and not more than 7 Members. At least one must represent the Residential Section and at least one must represent the Commercial Section. At the first meeting after an AGM, the Strata Council must elect a president, vice president, and treasurer.

During the last year, the Council comprised of 5 Members elected at the AGM by acclamation. Four of them were from the Residential Section, and one from the Commercial Section. There were two vacancies.

Your Strata Council holds general monthly meetings, the Minutes of which are made available to all Owners and residents. In addition, your Council holds numerous interim meetings, addressing imminent issues related to the building operation and its maintenance. Decisions at the Council Meetings are reached by majority vote of the Members present in person at the meeting. In case of a tie, the president may break it by casting a second, deciding vote. In addition, a significant number of discussions, reviews and decisions are made electronically.

The most important principle is that neither the Act, nor the Strata bylaws grant any special power to any member of the Council.

At Annual or Special General Meetings (SGM) of the Owners, decisions are made by a majority of the Owners present at the meeting and by proxy, except on major matters like bylaw amendments, major maintenance projects or changes to the strata plan, which require either $\frac{3}{4}$ or unanimous vote.

Taking a moment to review some historical voting statistics, over the seven years of my Council presidency, at six consecutive AGMs, the Owners have passed 52 resolutions, the great majority of them unanimously.

The total number of votes FOR was: 764

The total number of votes AGAINST was: 43 – representing 5.3% of the total number of votes

It is, in my opinion, a convincing endorsement of the direction this Council has been undertaking over these years. I thank all residents who provided supportive and encouraging comments. I hope this voting record will reassure residents that the Strata has been pursuing a course which has been reflecting the wishes of the vast majority.

This Council, if elected, will continue doing their best to be open, transparent and clear. It will provide full disclosure of Council operations and reporting. Please be assured that your Council will continue governing democratically, and in compliance with the Act and Regulations.

FINANCES

Over the last six years, we have had only one maintenance fee increase, in 2013 by 5%. The entire amount of it, about \$45,000.00 per year, has been and continues to be allocated to the Contingency Reserve Fund (CRF).

I am pleased to report that there is no need to raise the fee this year. The low cost of natural gas, energy conservation measures, reduced cost of maintenance in some areas, and general fiscal prudence have helped a great deal. The CRF is also maintained at a healthy balance.

Our finances are in order. As in the previous six years, we have completed our fiscal year with a surplus. The total amount is about \$76,000.00. We are proposing to transfer this amount, plus part of the accumulated surplus in previous years, to the CRF (Residential Resolution #1).

On August 31, 2015, the end of the fiscal year, our financial position in rounded numbers was as follows:

BUDGET – END OF 2014/2015 FISCAL

RESIDENTIAL TOTAL OPERATING SURPLUS

2014/2015 budget surplus:	75,110
Prior years surplus:	135,535
TOTAL:	210,645

COMMERCIAL TOTAL OPERATING SURPLUS

2014/2015 budget surplus:	841
Prior years surplus:	33,151
TOTAL:	33,992

CASH IN THE BANKS – END OF 2014/2015 FISCAL

CONTINGENCY RESERVE FUND

RBC	546,588
VANCITY	461,803
TOTAL:	1,008,391 (Res: 928,470; Com: 79,921)

OPERATING CASH BALANCE AT RBC: 231,018

As a result of staff reorganization, we are over the budget in some accounts and under the budget in others. Specifically, the relevant, final accounts are:

ACCOUNT	OVER	UNDER
Building Manager		38,978
Site Supervisor	5,689	
Security	14,524	
Repairs & Maintenance	14,776	
TOTAL	34,989	38,978

We should be aware that increases in the rates for electricity and gas are highly likely. We are monitoring them carefully, and we are investigating projects enabling to maintain the cost of electricity consumption at a reasonable level in the future.

Please be assured that we will continue maintaining a balanced approach to our finances, at the same time, ensuring that our building has up-to-date maintenance.

CONTINGENCY RESERVE FUND (CRF)
CRF EXPENDITURES 2014/2015

LEAK REPAIRS – COMMERCIAL SECTION CORRIDOR LEVEL 1	6,400
(2014 AGM approved: 15,000.00)	
ELECTRONIC SECURITY UPGRADES	10,500
(2014 AGM approved: 12,950.00)	
ROOF BOILERS REPLACEMENT	20,300
(2013 AGM approved – hold back and outstanding bills)	
EMERGENCY REPAIRS	44,000
<ul style="list-style-type: none"> • Electrical power failure (Electrical Vault – Common) • Gas leak (Residential) • Water supply (Residential) • Toilet drains (Commercial) 	
TOTAL:	
	81,200

NOTE:

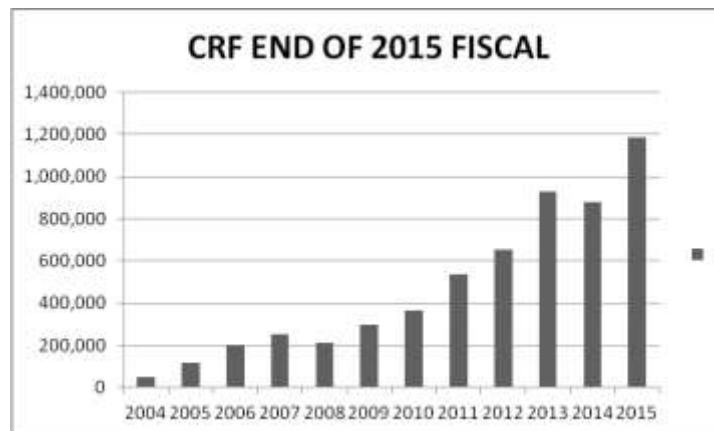
Outstanding projects to be completed and/or invoiced:

Leak repairs – Commercial corridor: monitoring and remediating leaks; drywall replacement

Parkade repairs (cracks) – 2014 AGM approved: 12,180.00

Speed humps – 2014 AGM approved: 9,400.00 – completed; waiting for invoice

CRF PROGRESSION AND BALANCE AFTER PROPOSED TRANSFER OF THE OPERATING SURPLUS



MAJOR PROJECTS

A number of preplanned, CRF financed, preventative and energy conservation projects were completed last year. They are listed in the CRF section above.

Please note that what we have accomplished is the continuation of a plan established several years ago. Moving forward, in line with this plan and with the general goal of acting proactively, we are proposing a number of major projects requiring your approval. They are included in this package under the ³/₄ Vote Resolutions, one of them is preceded with an extensive introduction explaining the reasons for its implementation. Please review them all:

- Balconies recoating
- Drain raisers access improvement
- Fire sprinkler heads protection
- Meeting room floor replacement

MAINTENANCE

Most of the minor maintenance of the site is now performed by our own staff, which saves a considerable amount of money. Only major projects and services, which require certified technicians, will be contracted out.

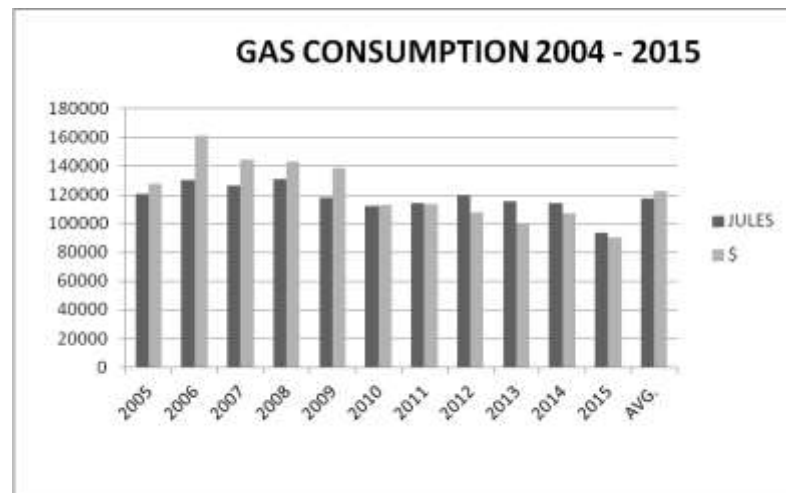
Our main mechanical, fire protection, emergency and electrical systems are regularly inspected, maintained and upgraded. Some sections of the common area were renovated.

One great temptation that any Council faces is the urge to spend resources without long term vision and planning. Part of the Council's responsibility is to establish priorities and implement them. We occasionally have to make difficult decisions regarding the allocation of funds. We do so while keeping in mind the long-term maintenance plans for the building, which are developed and amended based on engineering inspections, reports, and on input from residents at annual meetings or through correspondence.

In general, our building is in good condition with no major deferred maintenance, and is well positioned to address future challenges.

ENERGY CONSUMPTION

We continue making efforts to reduce the consumption of energy. Despite ever rising energy costs, we were able to reduce expenses for natural gas. Last year's replacement of the roof boilers with high efficiency boilers, and the continuation of water line insulation have resulted in an 18% reduction in gas consumption. These measures, plus the relatively steady rate charged by FortisBC, contributed to the lowest consumption and cost of gas ever.



STAFF REORGANIZATION

Following an extensive review of the building operation, and its needs in October 2014, the Council decided to change the staff composition. As of December 1, 2014, the building manager position was eliminated, and on August 1, 2015, replaced with the resident building manager position. Our previous, positive experience with this type of arrangement was a deciding factor.

RENTALS

Following some recent and very challenging developments in the rental markets, we propose a number of amendments to the strata bylaws, which are presented for your approval in two separate resolutions (Residential #6 and #7). To gain knowledge and become more effective in addressing the difficult situations resulting from the ever increasing short term rentals, some Council Members attended seminars related to this topic, and sought legal advice from lawyers specializing in this field. Again, to provide a thorough background and reasons for these amendments, we have included a detailed introduction to these resolutions.

DEPRECIATION REPORT (CRF STUDY):

After a review of the building's maintenance position and its plan for the future, which was presented in the President's Report at the 2014 AGM, the Council recommends deferment of the external study for one more year. We have included in this package two optional resolutions related to the Depreciation Report (CRF Study):

Strata Corporation #3 – Deferment for one year (until AGM in 20156)

Strata Corporation #3a – Implementation of it in 2016 at an estimated cost of \$15,000

CLOSING

Summarizing the last year, it was another year of adjustment and change. We have successfully achieved most of our objectives with splendid financial results. We continue to be optimistic with regard to the future of this building. In the year ahead, perhaps the greatest challenges (and we expect to meet these effectively) will be that of supervising and monitoring a number of significant maintenance projects.

I thank all Council Members, staff and the Property Manager for providing valuable input and assistance in keeping this building on a steady course. We jointly dealt with many challenging issues promptly and efficiently. Also, on behalf of the Council, I thank all Owners for rendering feedback and support.

Roman Piechocki
Council President

7) **INSURANCE OVERVIEW**

The Property Manager reported that the annual premium for insurance coverage for the Strata Corporation is \$112,955.00, down from last year's premium of \$114,615.00. Owners were reminded of the importance of having their own insurance on their individual Strata units.

It was:

MOVED/SECONDED

To approve the 2015/2016 Strata Corporation Insurance Coverage

CARRIED UNANIMOUSLY

INSURANCE NOTICE

DEDUCTIBLE CHARGE-BACK:

Please note that subject to your bylaws, Owners may be responsible for the Strata Corporation's insurance deductible in the event of a claim which emanates from within an Owner's unit. Owners should ensure that coverage for such deductible charge backs are added to their individual homeowner's insurance.

The current water damage deductible is \$15,000.00.

(Please refer to the insurance cover note to review additional important deductible information).

OWNER IMPROVEMENTS / BETTERMENTS:

Please note that any in-unit upgrades and/or betterments completed by the current or any prior Owner will not be covered under the Strata Corporation's insurance policy. Owners must ensure that any upgrades and/or betterments are covered under their personal homeowner insurance policy.

8) **MAJORITY VOTE RESOLUTION – CONSIDERATION OF THE 2015/2016 OPERATING BUDGET**

BE IT RESOLVED:

That the Owners, Strata Plan BCS 460, approve the proposed Strata Corporation Operating Budget containing no increase in strata fees for the 2015/2016 fiscal year, commencing September 1, 2015, and completing August 31, 2016.

It was:

MOVED/SECONDED

To approve the proposed 2015/2016 Strata Corporation Operating Budget with no increase in strata fees, retroactive to September 1, 2014.

CARRIED UNANIMOUSLY

NOTE: REGARDING STRATA FEE PAYMENTS

Please note, with the passing of this budget, there is a 0% increase in your strata fees for this fiscal period, retroactive to September 1, 2015.

Owners paying by pre-authorized withdrawal: Those Owners currently paying strata fees by way of preauthorized withdrawal will not have to take any further action.

Owners paying by cheque: Please submit your monthly cheque in the same amount. Strata fees must be made payable to your strata plan BCS 460 and submitted via mail or in person to the Pacific Quorum office.

If you require any information regarding your account please contact your property accountant, Maria, at 604-685-3828.

9) **¾ VOTE RESOLUTION #1 – CONTINGENCY RESERVE FUND (CRF) TRANSFER OF THE STRATA CORPORATION OWNERS, STRATA PLAN BCS 460**

WHEREAS:

The Owners, Strata Plan BCS 460 (the “Strata Corporation”) is comprised of 201 residential strata lots and 11 Non-residential (commercial) strata lots corresponding respectively to 18,448 Residential Units Entitlement and 1,853 Non-residential (commercial) Units Entitlement;

A Residential Section (the “Residential Section”) of the Strata Corporation and a Commercial Section (the “Commercial Section”) of the Strata Corporation were created pursuant to Section 193 of the *Strata Property Act* (the “Act”);

Since the creation of the Residential Section and the Commercial Section, the Residential Section has maintained an account for its Contingency Reserve Fund (“CRF”) (the “Residential CRF Account”), separately from the CRF account of the Commercial Section (the “Commercial CRF Account”);

The Strata Corporation has not maintained a CRF account for common expenses of the Strata Corporation;

Since the creation of the Residential Section and the Commercial Section, the Strata Corporation funded common expenses of the Strata Corporation that usually occur less often than once a year, or that do not usually occur, by the Residential Section contributing to 90% of the subject common expenses from the Residential CRF Account, and the Commercial Section contributing to 10% of the subject common expenses from the Commercial CRF Account;

The Act requires that the Strata Corporation maintain its Operating Fund and CRF for matters of common interest to all Owners, and that the Residential Section and the Commercial Section maintain their respective Operating Fund and CRF for common expenses on matters that relate solely to the section;

The Strata Corporation, the Residential Section and the Commercial Section wish to establish a CRF account for common expenses on matters of common interest to all Owners (the “Strata Corporation CRF Account”), and wish to raise funds of \$300,000.00 for the Strata Corporation CRF Account for the painting of the strata building and other expenses common to all Owners of the Strata Corporation;

The Strata Corporation wishes to maintain and manage the Strata Corporation CRF Account in accordance with the provisions of the Act, and contribution to the Strata Corporation CRF Account will be made in accordance with section 6.1 of the Strata Property Regulation;

The Owners of the Residential strata lots would like to transfer \$270,000.00 from the Residential CRF Account to the Strata Corporation CRF Account, and the Owners of the Commercial strata lots would like to transfer \$30,000.00 from the Commercial CRF Account to the Strata Corporation CRF Account;

BE IT RESOLVED by a $\frac{3}{4}$ vote of The Owners, Strata Plan BCS 460 that a total amount of **\$270,000.00 (Two Hundred Seventy Thousand Dollars)** be transferred from the Residential Contingency Reserve Fund (CRF) Account to the Strata Corporation CRF Account and a total amount of **\$30,000.00 (Thirty Thousand Dollars)** be transferred from the Commercial CRF Account to the Strata Corporation CRF Account.

END OF RESOLUTION

It was:

MOVED/SECONDED

To approve Resolution #1.

A discussion of various topics followed. At the end of the discussion, the Owners voted on the motion to approve Resolution #1.

IN FAVOUR	101
AGAINST	0
ABSTAIN	0
CARRIED	

10) $\frac{3}{4}$ VOTE RESOLUTION #2– BALCONIES, OVERHANGS, AND EYEBROWS RECOATING

INTRODUCTION TO THE RESOLUTION RELATED TO RECOATING OF BALCONIES, OVERHANGS AND EYEBROWS WITH WATERPROOF MEMBRANE

In 2013, the Strata Corporation retained Morrison Hershfield Engineering Consultant to undertake a 10 Year structural and building envelope review. The purpose of the review was to identify any deficiencies and items that require immediate repairs.

The review included an inspection of selected building sections and units to determine the condition of the urethane membrane on balconies and concrete overhangs. This membrane prevents water ingress. Some of the inspected sections of the building were recommended for immediate membrane recoating. The remedial work on identified balconies, windows overhangs and roof clerestory was performed promptly by Vancouver Injection and Waterproofing.

The report also pointed out that the liquid urethane membrane used in our building has a service life of around 10-12 years.

Repair and reapplication of urethane membrane provides the following benefits:

- protects from water and moisture intrusion
- mitigates potential corrosion
- preserves structural integrity
- maintains original appearance
- enhances esthetics

In the spring of 2015, the Strata Corporation invited five reputable contractors to quote on the following projects:

- prepare and recoat balcony slabs, overhangs and eyebrows with a robust membrane
- prepare and coat balcony edges with the same membrane
- prepare and paint balcony soffits with exterior latex

Note:

Extending the membrane over the balcony edges will reduce the build-up of algae.

The colour of the edges would have to be the same as the deck of the balcony, either grey or beige. (Decision pending, based on the Owners' feedback and review of appearance samples)

The Property Manager, staff, and President of the Council attended numerous meetings with potential contractors. Four of them submitted proposals for these projects.

For the purpose of estimating the cost of the project, we have considered the degree of interaction with the contractor, number of meetings and site inspections, reliability, clarity, and details of the proposal.

Cost estimate in rounded numbers:

Quote	170,000
GST	8,500
Contingency	26,500
Davits *	10,000
TOTAL	215,000

* This estimate includes arming and testing of the roof davits for employment of swing stages in the project.

The estimated duration of the project: 6 – 8 weeks

We are strongly recommending approval of the resolution for this project. When approved, the Council will re-invite potential contractors to detail and finalize their proposals, and award the contract to the most successful competitor.

WHEREAS The Owners, Strata Plan BCS 460 have determined that based on the recommendations of the 10-year warranty inspection of 2013, to preserve the integrity of the building envelope and of its external structure, the balconies, overhangs, and eyebrows slabs, including slabs edge, and the balcony soffits require recoating with the waterproof membrane or paint where appropriate.

The cost of the above project is estimated at \$215,000.00 including taxes.

BE IT RESOLVED by a $\frac{3}{4}$ vote resolution of the Owners, Strata Plan BCS 460 that a sum of money not exceeding **\$215,000.00 (Two Hundred Fifteen Thousand Dollars)** be spent for the purpose of recoating the balconies, overhangs, and eyebrows slabs, including slabs edge, and the balcony soffits with the waterproof membrane or paint, with such expenditure to be charged against the Strata Corporation Contingency Reserve Fund (CRF).

It was:

MOVED/SECONDED

To approve Resolution #2.

A discussion of various topics followed. At the end of the discussion, the Owners voted on the motion to approve Resolution #2.

IN FAVOUR 101
AGAINST 0
ABSTAIN 0
CARRIED

11) ¾ VOTE RESOLUTION #3 – WAIVER OF DEPRECIATION REPORT

WHEREAS The Owners, Strata Plan BCS 460, wish eventually to obtain a Depreciation Report as required under Section 94 of the *Strata Property Act* and feel it would be most beneficial to defer commencement of the Depreciation Report for the time being;

BE IT RESOLVED by a ¾ Vote Resolution of The Owners, Strata Plan BCS 460, that in accordance with Section 94(3) (a) of the *Strata Property Act* the requirement to obtain a Depreciation Report is hereby waived until the next Annual General Meeting.

It was:

MOVED/SECONDED

To approve Resolution #3.

A discussion of various topics followed. At the end of the discussion, the Owners voted on the motion to approve Resolution #3.

IN FAVOUR 97
AGAINST 4
ABSTAIN 0
CARRIED

12) RULES RATIFICATION

It was:

MOVED/SECONDED

That the Owners, Strata Plan BCS 460, ratify the proposed Rules. The ratified Rules will be posted on *PQ ONLINE* for the Owners to review.

CARRIED UNANIMOUSLY

13) NOMINATION OF 2015/2016 STRATA CORPORATION COUNCIL

It was:

MOVED/SECONDED

That the floor be opened for nominations of the Strata Corporation Council for the next fiscal year.

The following Owners were nominated:

Roman Piechocki #1006
Peter van Diepen TH 1
Irfaan Hafeez #1102
Lawrence Keenan #3801
Mark Deppel #2001
Ken Sopko #3305
Sina Rezai (Commercial Representative)

CARRIED

14) ELECTION OF 2015/2016 STRATA CORPORATION COUNCIL

Accordingly, the following Owners were declared elected as the new 2015/2016 Strata Corporation Council:

Roman Piechocki	#1006
Peter van Diepen	TH 1
Irfaan Hafeez	#1102
Lawrence Keenan	#3801
Mark Deppel	#2001
Ken Sopko	#3305
Sina Rezai	(Commercial Representative)

CARRIED

15) NEW BUSINESS

The newly elected Council will follow-up on the following items:

- Communication between residents;
- Proxy form format;
- Concrete steps topping repairs (Jervis Street);
- Cleanliness of 3rd floor common areas;
- Homeless people sleeping along the pond - safety issue;
- Move-in fee increase;
- Sprinkler head cages installation for hallway/common areas;
- Allowing pets through the lobby;
- Back lane lighting;
- Informing Owners regarding Council Meeting dates;
- Hand sanitizer for the garbage room;
- Organic waste left on balconies; and
- Residents' behaviour towards each other.

16) ADJOURNMENT

It was:

MOVED/SECONDED

To adjourn the meeting, and destroy all ballots.

CARRIED UNANIMOUSLY

The meeting was adjourned at 9:10 p.m.

The next Council Meeting for the Strata Corporation is scheduled for:

Tuesday, November 24, 2015 at 5:30 p.m.

ONLINE ACCESS TO CLASSICO

- Go to: www.theclassico.ca

To access *PQ ONLINE* for Classico:

- Go to: www.pacificquorum.com
- Under *PQ ONLINE LOGIN* enter:

➤ Username: **classico**

➤ Password: **460**

Once you have logged into *PQ ONLINE* for the first time, please go to “MY INFO” and sign-up for email notification of important notices, meeting minutes, etc., and update your contact details.

Submitted by:

PACIFIC QUORUM PROPERTIES INC.

Paul Kral, Senior Property Manager

430 – 1200 West 73rd Avenue

Vancouver, BC V6P 6G5

Tel: (604) 685-3828 / Fax: (604) 685-3845

Direct: 604-638-1961

Email: pkral@pacificquorum.com

Website: www.pacificquorum.com

24-Hour Emergency Maintenance #: 604-685-3828

IMPORTANT INFORMATION Please have this translated

RENSEIGNEMENTS IMPORTANTS Prière de les faire traduire

INFORMACIÓN IMPORTANTE Busque alguien que lo traduzca

CHỈ DẪN QUAN TRỌNG Xin nhờ người dịch hộ

重要資料 請找人為你翻譯

これはたいせつなお知らせです。どなたかに日本語に訳してもらってください。

알려드립니다 이것을 번역해 주십시오

समूची महत्वाची विषय समजे विजे वेसे त्म एा सुतेका समजाई

Please Note: The Real Estate Regulations may require that a vendor provide purchasers with copies of the strata corporation minutes. Please retain these minutes for your records. Replacement copies will be subject to a cost per page and can be received upon a seven (7) day advance order from *Pacific Quorum Properties Inc.*