

Highlights from Condo Board Information Session, February 14, 2006

A petition, seeking the re-call of Directors Norm Thiessen, Ron Luciuk, and Dave Cathro, and the removal of General Manager, Mary Schmit, signed by 199 residents, was presented to the Board just prior to the beginning of the meeting.

President Dave Green opened the meeting by stating:

“The Board is unanimous in its support for all Board actions, all Directors of the Board, and its General Manager. Furthermore, the Board is unanimous in its commitment to perform its duties in good faith and un-divided loyalty to the Association and its members, as well as a commitment to be knowledgeable of the contents of each of its governing documents, and a commitment to seek to provide equal protection, due process and fair and consistent treatment of all members of the Association.”

Mr. Green and Treasurer John Jones made the following clarifying comments to address the misleading information contained in the supporting documents to the petition.

55 + Age Restriction

Mr. Green re-stated the Board’s commitment to enforce this Bylaw. He stated that “Owners purchased their lots in reliance upon the occupancy restrictions, which were intended as a general scheme for development of a senior retirement life style”. While underscoring the need for continued, consistent, attention to this bylaw, he stated that he felt that it was the root cause for the petition and accompanying unrest currently in the park.

Use of the MRR fund for construction of the Center

Mr. Jones indicated that \$893,275 has been expended from the MRR fund in support of the building. This included the replacement of the kitchen equipment (\$150,000), mailboxes (\$28,000), main air conditioning unit (\$362,000) and contingency funds (\$353,275) for repair and replacement items need to facilitate the final completion of the building. Mr. Jones emphasized that these figures had been clearly outlined in previous reports to residents and are readily available from the administrative office.

Alleged no end in cost overruns during construction Mr. Jones stated that all contractual obligations have now been met. Any further costs will have to be borne by the operating budget. The final cost of the building, including the current level of furnishings and landscape, is \$5,281,465. The building is currently assessed at over \$6,000,000, indicating that the Board was prudent in proceeding with construction, despite unprecedented cost increases.

Alleged lack of transparency regarding financial statements

All financial information concerning the building construction has been shared with residents who have taken time to attend meetings. Respecting other financial issues raised in the petition, Mr. Jones reported that the disclosure of the General Manager’s and any other employee’s salary is forbidden by law; provided proof that the cost of teleconferences is more than \$1000 per meeting; that the use of E-mails for meetings is not permitted by law; and that the building is fully up to code. The use of our 1-800 number is not possible for meetings in that it can only take one call at a time.

General Manager issues

Mr. Green indicated, that while the removal of Directors can be raised through a petition, the General Manager's employment is the sole responsibility of the Board. He recalled the laudatory remarks of past presidents who went out of their way to stress their admiration and appreciation for the work of Ms. Schmit during their respective terms and throughout the completion of the building. The Board fully supports Ms. Schmit's contention that all residents will need to assist management in the enforcement of the 55+ age restriction, particularly where there is carefully planned deception. Mr. Green stated that the current Board has full confidence in Ms. Schmit's ability to deal with the diverse, and sometimes, perplexing problems facing her in the performance of her duties. Petitions Mr. Green and Mr. Jones both emphasized that there are constructive uses for petitions. The petition in question is seen as destructive in that it gives no reason why three particular Directors were named other than to say that the petitioners are "fed up". In that several persons signing the petition felt that the purpose of the petition had not been honestly presented to them, Mr. Green indicated that their names could be removed from the petition provided that they made the request in writing. The petition, provided that at least 175 signatures are validated as Lot Owners, will cause a re-call vote of the three named Directors within the next 30 days. A Quorum of at 20% of the Lot Owners is required and a Director will be removed from the Board if 60% of the voters so indicate. Board Unity In a prepared statement, Mr. Jones indicated that the Board's resolve in enforcing the Bylaws has never been stronger. He considered the apparently baseless attack on the three Directors as despicable. He described the named Directors as hard-working, dedicated Board members who are only being attacked for enforcing the existing bylaws.

Owner's Comments

- i) The large audience present repeatedly demonstrated their support for the Board's efforts at enforcing the 55 + age restriction in that they feared a dramatic change in the park's life-style would result if this restriction was lost through lack of enforcement.
- ii) Several speakers expressed their vote of confidence in the Board, the general Manager and the Activity Director.
- iii) A resident expressed concern over the adequacy of the park's financial audit and was informed that the park does a full audit each year and the report is available to Owners.
- iv) A resident encouraged the Board to make all hearings relating to the 55 + age restriction open to the public.
- v) Two residents expressed concern over the fact that residents do not wait until the Broadway gate is fully closed.
- vi) A resident indicated that more needs to be done to bring the exterior of the building to its expected standard.
- vii) Several residents indicated that the people circulating the petition had not been fully honest with them with the information provided them and wished to have their names removed from the petition.
- viii) A resident accused the Board and management of harassment during their efforts to ascertain as to whether he was in actual residence in the park.
- ix) Several residents expressed the need for greater attention to the policing of residents who are not in conformance with the bylaws.

Submitted by the Board of Directors.

Treasurer's Summary Community Center Costs and Source of Funds

Item	Cost of Project	Sources of Funding	Amounts
Bldg & Fixed Assets	\$ 4,606,512	Special Assessment (Incl. loans from residents)	\$ 3,999,963
General Costs	\$ 674,953	Cable TV Fund Contribution	\$ 10,000
		Social Board Contribution	\$ 60,000
		MRR funds:	\$ 893,275
		Kitchen	\$ 150,000
		Mailboxes	\$ 28,000
		HVAC	\$ 362,000
		Contingency No. 1	\$ 200,000
		Contingency No. 2	\$ 118,275
		Owner Contingency	\$ 35,000
		Resident Contributions (flooring)	\$ 35,125
		Brick Fund	\$ 64,712
		Audio and Security	\$ 67,450
TOTAL COSTS	\$ 5,281,465	Interest Earnings	\$ 87,934
		Phones	\$ 12,006
		Landscaping (Operating & Capital Fund)	\$ 38,000
		Designer Fee	\$ 10,000
		Social Board	\$ 3,000
Costs v Revenues	\$ (0)	TOTAL REVENUES	\$ 5,281,465