



Minutes of Meeting of the Board of Directors of The Tower Ranch Community Association (TRCA) BOD-5

Date: Tuesday, 13 June 2017 7:00 PM
Place: Members Lounge, Tower Ranch Clubhouse
In attendance: Directors - Don Spruston, Craig Fowler, Jennifer Bridarolli
Transition Committee - Don Folstad, Jon Durkin, Donna Welda, Danny Funk,
Rick Watt and Jim Roe.

Opening and Introductory Comments

Don Spruston opened the meeting at 7:00 PM and the Meeting agreed that he would act as Chairman for BOD-5. The Chairman welcomed the Directors and Transition Committee to the fifth meeting of the TRCA Board of Directors (BOD). The Chairman advised that the Court judgement regarding the petition to remove the easement on the new development to the north of Tower Ranch Blvd has been released with a decision to grant approval. The sub-division can now proceed.

Approval of Minutes for BOD-4, 30 May 2017

The Chairman advised that there were no comments or suggestions to the draft Minutes for BOD-4 held 30 May, 2017. The Chairman recommended approval of the Minutes. Jennifer Bridarolli moved that the BOD-4 Minutes be approved, seconded by Craig Fowler. Members unanimously voted in favour.

Update by Team Leaders

The Chairman invited team leaders to provide a brief update.

Donna Welda -lead for financial assessment. Donna advised that she had been working with Parkbridge staff in Oliver to update account information. Some additional payments have been made and PAD payment information corrected. She advised that there was not much more that can be done until there is outcome from negotiations with the commercial organizations. The Meeting discussed the need to seek help with book keeping given that Donna will be away for extended periods over the next few months. Donna also advised that the total funds in the Penticton account should be around \$14,000 although Parkbridge will not release this information. Nevertheless, Parkbridge advised that funds will be transferred to the TRCA account shortly, thus providing relief to the cash flow problem.

Glen Wood -lead for boulevard landscaping. Glen was unable to attend the meeting but passed on notice that work is proceeding on the weeding of the median and shrubs along the blvd. Problems have been encountered with the second irrigation controller from the top but parts for repair are being sought. Dilworth are still kindly helping with watering the blvd.



Jon Durkin -lead for clubhouse amenities. Jon advised that some bookings have been made for the Lounge. He also advised that he encountered a problem with the air conditioning repair as work was done without authorization. The Meeting discussed some of the Lounge procedures, in particular the provisions for liquor consumption. Jon will further refine the procedures based on analysis of the liquor licence coverage. Procedures will be adjusted based on his findings. The Meeting agreed to make a request to homeowners through the Newsletter for donations of furniture for the Lounge.

Don Spruston -lead for the clubhouse strata. The Strata Corporation is to be discussed in the Agenda Item in this meeting.

Don Spruston - lead for communications. The Newsletter and website will be covered in a dedicated agenda item.

Craig Fowler - lead for membership. Craig reported that the Christy Lovig and her support team are now in a position to sign an agreement to serve as the Association's legal representative. Craig briefed on the agreement, including the hourly rates for services. The three TRCA directors are required to sign the agreement. The Meeting was asked to give consideration to specific requests for legal opinion and these will be discussed at the next BOD meeting.

Newsletter to Homeowners

The Chairman advised that he made changes to the draft Newsletter per comments received. He advised that the homeowner data sheet requires some changes and as soon as that is done the Newsletter will be sent to homeowners. It was agreed that Don would send the Newsletter to the Ranch residents, Jennifer to NP on 18 and Craig to Solstice. The final of the Newsletter will also be placed on the website. The PAD form for the new bank account will be an attachment to the email.

Strata Corporation Negotiations

The Chairman briefed the meeting on the outcome of the meeting with Carrington executives as follows.

There was general agreement by Carrington that the requirements for the strata corporation pursuant to the Strata Corporation Act had not been followed to date. General discussions followed regarding allocation of costs in draft budgets established in previous years. TRCA pointed out that the costs were generally in line with the Unit Entitlement but many of them were very unfair to the Association and if the budget had been done correctly there would have been a more appropriate allocation of costs. It was agreed between both parties that priority must be given to establishing all requirements of the Strata Act such as formation of the strata council, holding Members meetings and preparation of a budget. It was agreed that meetings should be held as soon as possible to establish the requirements. Both parties stressed the importance of keeping the communication avenues open.

Following the briefing by the Chairman the Meeting discussed next steps. It was agreed that the President of Carrington should be contacted to ensure agreement on next steps. Jon Durkin also agreed to join the Strata Team given his work with the Golf Course manager.

Parkbridge Consolidated Approach

The Chairman summarized the current position regarding requests from Parkbridge. Invoices received from Pushor Mitchell were forwarded to Members earlier and during the weekend Members were sent a proposal received from Parkbridge on a potential agreement for using Rent Charge payments due for the vacant building lots as an offset against the funds that Parkbridge considers as being owed. The Chairman advised that the proposed agreement resulted from advice to Parkbridge that the Association considers that an agreement is necessary to ensure formal and transparent positions for both parties. The Chairman also briefed on a Conference Call held at the request of Parkbridge this morning (Tuesday) at which directors were advised that Parkbridge is anxious to find an equitable and fair way forward. They agreed to waive the proposal to continue the management fee and also to transfer the balance of the funds from the account in Penticton to the new TRCA account in Kelowna. Parkbridge advised that they would still like to proceed with an agreement to refund the amount considered as being owed, but they are prepared to spread payments over a few years.

After considerable discussion the BOD and Transition Committee decided the following.

1. Parkbridge management of the TRCA resulted in an accumulated total contingent liability of \$101,980 (not inclusive of the recent legal invoices). TRCA refunded \$50,000 immediately prior to the May 2 SGM, leaving \$51,980 that Parkbridge considers to be owed.
2. The Board concluded that most of the amount claimed represents valid payments for TRCA business. However, the assessment conducted by Donna Welda concluded that a few expenses are in question and should be further investigated (namely a \$7,600 repair to an irrigation line and insurance expenses for a previous year).
3. The Board expressed concern regarding expenditures made in previous years given that considerable payments were made by Parkbridge in 2014 and 2015 without any attempt to collect the Rent Charge. Such collection may have been possible at the time but cannot be done retroactively due to requirements in the Not-for-Profit Act. Payment of TRCA expenditures prior to Parkbridge purchase of the properties were paid by Intrawest as it appears that as Master Developer Intrawest felt it had an obligation to cover TRCA costs until the Transition or there were 300 homeowners. This spirit of goodwill appears to have ended with the change of ownership. The Board concluded that a delay in potential reimbursement of the remaining 50% of the outstanding funds is fair given that most of the expenses were made without authority of an approved budget required by the By-Laws and Act.
4. Although the concept of offsetting the potential contingent liability with fees due for the empty lots was feasible in principle, reconciliation of the amount owed must be established prior to signing an agreement. The Board agreed that in order to ensure good business practice and an auditable trail, TRCA fees must be paid as required in the By-Laws, and the TRCA will refund Parkbridge for amounts owed at a monthly rate that will be negotiated with Parkbridge when an accurate assessment of the amount owed is determined.
5. The current Pushor Mitcell invoice (dated 17 May) for submission of filings, totaling \$788.06, was considered legitimate TRCA business and will be paid from the new TRCA account. The remaining invoice (dated 31 May) will not be paid until TRCA receives proof of services provided and it is concluded that it represented legitimate TRCA business. To date the Road Maintenance Agreement has been received but the other research is not yet available.



6. The Board noted with appreciation that Parkbridge does not wish to continue with the management fee as proposed in the draft agreement.
7. The Board concluded that the Association should send a letter to the President of Parkbridge to encourage dialogue on creating a positive ongoing relationship between TRCA and the company.

Adjournment and Next Meeting

The Chairman advised that the next meeting would be held on Tuesday, June 20 at 7:00 PM. He requested Members think about issues that are a priority for legal assessment. He also asked Members to consider meeting schedules over the coming months of summer season.

The Chairman adjourned the meeting and thanked everyone for their assistance.