

**MINUTES
OF THE ANNUAL GENERAL MEETING
THE OWNERS STRATA PLAN BCS 2555
CIELO**

Held on Monday, January 25, 2010
Within Pinnacle Hotel
1128 West Hastings Street, Vancouver, B.C.

The meeting was called to order at 7:00 p.m. by the Strata Council President, Sandra Stoddart-Hansen.

Crosby Property Management Ltd. was represented by Bruce Adanac, Assistant General Manager, Strata.

CALLING THE ROLL AND CERTIFICATION OF PROXIES

The attendance register confirmed at the time of commencement of the meeting there were 44 eligible voters in attendance and 44 represented by proxy for a total of 88. The quorum requirements had been achieved, and the meeting proceeded.

PROOF OF NOTICE & RECEIPT OF FINANCIAL STATEMENTS

It was moved/seconded that the notice dated January 4, 2010 complied with the notice requirements and that the financial statements had been received. CARRIED.

APPROVAL OF GENERAL MEETING MINUTES

It was moved/seconded to approve the Minutes of the Annual General Meeting held February 23, 2009 as circulated. CARRIED.

PRESIDENT'S REPORT

It gives me great pleasure to present the report of Cielo Strata Council's activities for the past year.

I would like to begin by acknowledging the work of Kirk Williams who served as Council President until May 2009 when he sold his unit in the building and resigned from Council. Council agreed that the Vice President would move into the President's position and elected Lance Barrett to serve as Vice President of Council while retaining his role as Rules and By-Laws Chair. All other roles on council remained unchanged.

On behalf of the owners at Cielo, I would like to extend my thanks to the members of Cielo's Strata Council. Their dedication and hard work throughout this past year have resulted in significant and positive accomplishments for our strata corporation.

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I would also like to thank Bruce Adanac and the team at Crosby Property Management for their work with us this past year. When the Strata Corporation took over the building there were a number of contracts that the developer had put in place for the building. After two years, Council has a better understanding of the needs of the building and has changed a number of these arrangements including the landscaping contractor, the window washing company, the mechanical systems contractor and also our contract with Crosby Property Management. Effective the date of the AGM, Colliers Property Management will be taking over the management of Cielo. We will properly introduce the Colliers team at the Annual General Meeting.

The establishment of Concierge service at Cielo was one of Council's main activities this past year. Selecting a design firm, working with them on the location and design of the concierge desk, establishing role descriptions for the concierge staff and finally staffing, training and scheduling were all accomplished by the fall of 2009 and came in under the approved budget. We realize that owners were anxious for the concierge service to begin, however the process took time and we are confident that the energy invested has paid off in terms of a great team and a very functional and beautiful concierge station. Thanks go to Joyce Ma for her leadership and effort in guiding this process from start to finish. In my remarks at the meeting, I will elaborate on the staff policies that we have put in place to guide the effective operation of the concierge service and ensure that our employees are supported with appropriate training.

Once construction was completed on the concierge desk, we moved quickly to complete touch up painting in the elevator lobby areas and strip and re-wax the lobby floors. We also hired a new landscaping firm and re-planted the front gardens to make them more attractive and manageable.

A second major area of effort this past year was our continuing efforts to work with the developer on building deficiencies. Gwyn Symons took the lead in this area and liaised with the developer on progress to completing all outstanding deficiencies. Gwyn also worked closely with the Resident Maintenance Manager to develop a maintenance plan for the building. This process motivated council to make a decision to change service providers for our heating/cooling and mechanical systems. We are confident that with a more systemic approach, our new service providers will bring greater reliability to our mechanical systems. We also completed the warranty report to National Home Warranty (NHW) to ensure that at our two year anniversary NHW had a full report of all outstanding deficiencies that the developer has yet to satisfactorily remedy. Gwyn will be providing the owners with more detail in his report at the Annual General Meeting.

With the help of the Vancouver Police Department, we completed a security sweep of the building. The police officer made several recommendations; all of which council implemented. We installed additional cameras at the P1 parking gate and added additional signage at the gate area. Additional cameras were installed and some existing cameras were relocated to higher traffic areas. With the addition of security monitors at the concierge station, we are able to effectively monitor activities at the parking gate and at other sensitive areas of the building. As further evidence of their importance to our building, on several occasions, our concierge and security staff has apprehended people getting into the parking garage and attempting to gain access to the building through other points of entry.

We have had very few security problems, however those that have occurred have been as a result of residents not stopping to wait for the parking gate to close. Council has given residents notice that fines will be levied for those failing to stop until the gate has fully closed. As a due diligence measure and in

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response to several resident complaints, we conducted a random sweep of the building including all resident floors, storage and parking areas to ensure that there are no illegal drug related activities in the building. A professional firm with drug sniffing dogs was retained to conduct the sweep. It is of interest to note that a small number of suites were identified during this process and that there were two requests for special consideration for hasty moves from the building.

Throughout the year, we have tried to improve our communications with residents. We have made an effort to keep our website <http://www.cielocalharbour.com> up to date with news, policies, rules and other information. Feedback on the web site has been very positive and residents have remarked on the convenience of being able to contact the concierge staff via e-mail. Additionally a line phone was installed at the concierge desk and business cards were printed for each staff member giving their e-mail address and phone numbers.

We have used the elevator notice boards to advise people of activities in the building and with the help of the concierge team, we have tried to keep residents up-to-date on what is happening in the building.

A summer social on the patio this year was well attended, we had Halloween goodies for visiting goblins as well as our own, and to close off the year, the concierge team organized a tree decorating party and a Christmas meet and greet in the lobby. It was good to see so many residents come out to these functions. Our beautiful building is becoming a true community as we use these events to get to know one another better.

Council approved and implemented a number of small capital projects during 2009. The addition of three television units to the equipment in the gym, the acquisition of Cielo umbrellas and the acquisition of a Cielo logo door mat for our front door will improve the look and feel of our building.

In an effort to improve our own efficiency and save the environment, Council went "paperless" during the year. All our meeting minutes, agendas, correspondence and meeting packages (which usually amount to about 180 pages) are provided electronically. We use a screen and projector at our meetings to review the "paperwork". This has resulted in a \$7000 savings in photocopying, handling and postage charges for the strata. I would like to thank Gerry Ramagioda, Strata's secretary, who keeps track at our meetings and reviews minutes to ensure accuracy.

In terms of our budget this year, we finished the fiscal year within budget; however there have been several line items where overages occurred. Stamatia Douvelos will be speaking to these in her report. I would like to thank Stamatia for her careful attention to our budget and for her work in establishing financial management policies for the strata corporation.

Strata Council has implemented a number of operational policies to improve the quality of life at Cielo:

- The move in/move out policy attempts to schedule moves only during the less busy mid-day timeframe and to give residents notice of moves to minimize the inconvenience caused by moves.*
- The strata fee payment policy seeks to ensure that all owners are in good standing with their strata fee payments.*

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- *The noise policy attempts to ensure that residents are respectful of their neighbors and provides for procedures to follow in the event that noise is an issue.*

Through the concierge team we have established a laundry pick-up and delivery service and also an arrangement with Urban Fare to provide shopping and delivery services to residents of Cielo. I would like to thank the Council and staff at Escala, a neighboring building for so freely sharing their concierge policies and details of their service offerings with us. It gave us a very successful model to draw from.

I would also like to take this opportunity to thank our staff for their hard work and the initiative that they have taken to ensure our building is "one of the best managed in Vancouver".

We expect that the period during the Olympic Games may be a particularly trying time for our building and Coal Harbour Community – there will be a lot of visitors in the neighborhood and we can expect some access and travel restriction issues to arise.

While much was accomplished in 2009, there is more that we hope to do in the coming year to continue to improve our building.

*Yours respectfully,
Sandra Stoddart-Hansen
President, Cielo Strata Council*

RATIFICATION OF RULES

Lance Barrett, Strata Council Vice President, and Chairperson of the Bylaws and Rules Committee, took the podium to address two proposed Rules for consideration/discussion at this meeting. First Rule proposal, Mr. Barrett asked for consensus from the room on a proposal to make the 31st floor outside deck available for reservations of groups of 10 or more. Mr. Barrett asked for a show of hands for those in attendance wanting to put this forward as a Rule for consideration. It was evident that, as only a handful of people put up their hands, there was no support and it was agreed not to pursue this as a new Rule.

Mr. Barrett then asked those owners in attendance if they wished to consider passing a Rule for limitation of use of the gym and hot tub area on the 31st floor citing various issues which have occurred in the past year regarding misuse and inappropriate behaviour; the suggestion being that a time limit be put in place limiting hours of availability. An owner then addressed all in attendance noting that the current Bylaws governing use of common property and limited common property can be used for implementation of a rule of a nature. Mr. Barrett then asked for consensus amongst ownership and those in attendance were not in favour; therefore, the Rule for limiting access in this area would not be considered.

An owner stood and suggested that the owners consider putting in a Bylaw for making insurance mandatory for owners and/or tenants and that they be required, per Strata Bylaws, to carry adequate insurance coverage. This matter was referred to the Strata Agent who advised he had previously raised this matter with Legal Counsel under the terms of the legal retainer program that Cielo participates in with Crosby Property Management Ltd. The advice received was that this type of Bylaw is unenforceable it would not be recommended and it would not be advised to pursue this.

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An owner suggested that the Rules be added to the website. The Strata Council did advise that the Rules are already in place on the website.

An owner suggested that the Strata Corporation consider adopting Rules governing pets in the building. The Strata Council elected to defer this to the new Council once elected at this meeting.

REPORT ON INSURANCE COVERAGE

The Strata Agent, Mr. Adanac, was asked to chair this section of the meeting. Mr. Adanac drew attention to the section of the Annual General Meeting notice package which included a summary of coverage's document for Strata Corporation insurance as provided by BFL Canada Insurance Services Inc. Mr. Adanac noted the policy period is October 12, 2009 to October 12, 2010 inclusive and drew attention to the various components referenced on the document inclusive of the deductibles. An owner queried the deductible for water damages. Mr. Adanac advised that the representatives of BFL Canada Insurance have noted the deductible for water damages for all Strata Corporations in the Greater Vancouver Regional District have been increased in the past year from \$2,500.00 to \$5,000.00 as reflected on the summary of coverage's document.

It was then moved/seconded that the report on insurance coverage has been received. Following the discussion, the Chairperson called for the vote, the result being 87 IN FAVOUR, 0 OPPOSED, 1 ABSTAINED. CARRIED.

STRATA CORPORATION INSURANCE COVERAGE

The Strata Corporation's policy typically "insures against all risks of direct physical loss or damage to the property insured", subject to exclusions and applicable deductible.

Insured property is the building as it was delivered by the developer at the time of completion of construction. Insured property includes the fixed structure, permanently installed original fittings and fixtures, mechanical equipment and machinery, fire suppression systems and common assets.

The Strata Corporation's policy notable does **NOT** provide coverage for loss or damage to:

- * Strata Lot owner's and/or tenant's personal property,
- * Strata Lot owner's betterments and/or improvements to strata lot,
- * Strata Lot owner's and/or tenant's additional living expenses,
- * Strata Lot owner's rental income loss.

STRATA LOT OWNER AND/OR TENANT INSURANCE COVERAGE RECOMMENDATION

It is recommended that all Strata Lot owners and/or tenants acquire the applicable coverage:

- * **Personal property**, such as furniture, clothing and similar personal property in the Strata Lot or designated storage space in the building, subject to a deductible.
- * Strata Lot **betterments and/or improvements** completed at a Strata Lot owner's expense, such as upgraded flooring, millwork, fixtures, etc.

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- * **Additional Living Expenses** incurred by a resident as a result of the insured premises being uninhabitable as a direct result of an insured loss or damage.
- * **Loss of rental income** incurred by a Strata Lot owner as a result of the insured premises being uninhabitable by the tenant as a result of an insured loss or damage.
- * **Strata Corporation's Deductible Chargeback (e.g. Water, Fire)** incurred in the event of a claim that originated from within an owner's Strata Lot.

****Example****

In a rental situation there are three separate parties therefore **there** should be three separate insurance policies (Strata Corporation Policy, Owner's Policy and Tenant's Policy).

Claim Example: "Property Damage" (i.e. Water damage or fire in a Strata Lot)

- * The Strata Corporation's insurance policy handles the damage to the building's common areas subject to the applicable deductible;
- * The Strata Lot owner's policy in a rental situation handles the damage to betterments / improvements and loss of rental income. The Strata Lot owner's policy in an owner occupied Strata Lot handles damage to the Betterments and Improvements, Damage to Personal Contents And Additional Living Expenses for the owner.
- * The tenant's insurance policy handles damage to Personal Contents and Additional Living Expenses if the tenant has to move out as a result of the damage.

TREASURER'S REPORT

Stamatia Douvelos, Treasurer of the Strata Council, took the chair and addressed all owners in attendance and presented all with a detailed verbal report on the year end financial statements as included in the Annual General Meeting notice. The Treasurer made reference to interest accruals in the accounts receivable others section of the financial statements. Attention was directed to the accounts receivable, noting there are some owners who remain delinquent on their strata fees. The Strata Council is looking at ways to better collect on these. The Treasurer also commented that the financial statements are not audited. Attention was also drawn to the income section and the amounts referenced for move in and miscellaneous. These amounts were higher than originally anticipated by the Strata Council. Discussion took place on the various expense category items with explanation provided for the variances for each of these items for both over and under amounts budgeted.

At the conclusion of the Treasurer's report, the Strata Council President, Sandra Stoddart-Hansen acknowledged and thanked Stamatia Douvelos for all her work this past year and, in particular, made reference to her work with Crosby Property Management Ltd. in ensuring that funds in the Contingency Reserve Fund were invested in secure GIC's in order to guarantee a higher rate of return for the Strata Corporation.

DEFICIENCY/MAINTENANCE REPORT