

# Strata 44 – Villas Pappagallo

23 November 2018

Dear Owners,

Hope everyone is well. We look forward to seeing you in January!

Some owners have recently received a letter or have been approached by a fellow owner regarding VP management.

The following is a factual response to the outlined concerns:

- There are no issues of concern related to the VP property, its management, or the EC regarding transparency, conflict of interest, or honesty. The EC, members of which are elected by owners annually at each AGM, serve voluntarily, tirelessly, without payment but at great personal sacrifice in terms of time spent, in order to supervise management of the Strata and ensure the maintenance, upkeep and improvement of the property for the benefit of all owners and occupants.
- There is complete transparency with regards to VP governance. Every year the agenda and meeting notice and minutes of the previous AGM are issued well ahead of time. This package was circulated on 29 October 2018 in advance of the 2019 AGM. The Financial Statements, proposed budget for the upcoming year and details of any suggested major projects and the proposed funding of them will be distributed as early as possible prior to the AGM. Owners meet at the AGM in January to review minutes, discuss proposed projects, voice concerns and approve the upcoming year's budget. Owners who cannot attend are encouraged to send proxies to execute their vote. Any spending outside of the annual budget (e.g., special projects) is done only with owner approval. AGM minutes are distributed to owners. Budgets and financial information is on file with our Property Manager, Michael Baulk, and is open to all owners. Throughout the year our property manager and the EC are available to discuss any questions or concerns and will provide further copies on request of AGM minutes, financial statements, budgets, and insurance policies and cover notes.
- An owners' directory, which is voluntarily prepared and distributed by one owner, contains full contact details of all owners who have provided these details, as well as other relevant information. The latest version of this was circulated on 16 November 2018, and all owners are encouraged to update their information now or at the AGM
- As part of the collaborative process, many ideas are presented at the AGM, but only motions approved by the owners are executed. For example, a 'property website' was discussed, but the owners did not want to proceed. Consequently, there is a website for short-term rentals that is open to any owner who has a DOT license. The website is 100% funded by the participating owners. Short-term rentals are completely separate from Strata management and funds.

- The By-Laws require the EC to issue Rules of Occupancy, which have been in existence for many years but are revised from time to time to take account of concerns raised and changing circumstance. The latest revision, to ensure that the Rules are consistent with the By-Laws, was undertaken following discussion of a number of ongoing issues at the 2017 AGM. At the 2018 AGM, owners were informed that the revision had been completed, and copies were distributed to owners shortly thereafter.
- Similarly, construction scheduling was discussed and agreed to at the 2018 AGM because it is to the benefit of all owners and residents. Restricting major renovations when the property is less occupied is common practice and common sense. After two full villa renovations on the property this year, this policy appears to be a good idea and working well.
- Likewise, parking lot replacement was discussed and tabled until the 2019 AGM, and a pool heater was discussed and tabled until the issue has been more thoroughly researched with regards to options and price. Since these items are outside the operating budget, they would need owner approval to proceed.
- Regarding the legal fees, communication from the 'concerned' owner was delivered through a lawyer, without any prior direct EC/management contact or discussion. As the letter was from a very experienced litigator known to the EC who raised very serious allegations, the EC had no option but to engage our own attorney to advise us on our rights and obligations. As a result, the VP lawyer was contacted as it is in our collective best interests to hand any legal request to our lawyers for professional advice and the appropriate response.
- The EC has been cooperative and must follow bylaw requirements when addressing legal issues.

We would encourage all owners to continue to follow the process of 'open communication' that has been in place and has worked successfully for several years now.

Please be assured that your EC and management team has worked countless hours to ensure the property and its finances are in great shape. The property appearance, financial health, strong community and collaborative spirit, reflect those efforts.

On another note, we have been working diligently on the parking lot quotations/options and will be sending you more information soon.

In the meantime, we appreciate your support and look forward to the upcoming year of working together to best enhance our property and its value.

Happy holidays and see you all at the AGM and Beach BBQ!

The EC