

The Cottages on Osoyoos Lake

First Annual General Meeting – October 25, 2014



Agenda

- Introductions
- Project Update
- Financial Report
- Approval of Budget
- Property Management
- Election of Directors
- Question Period

Introductions

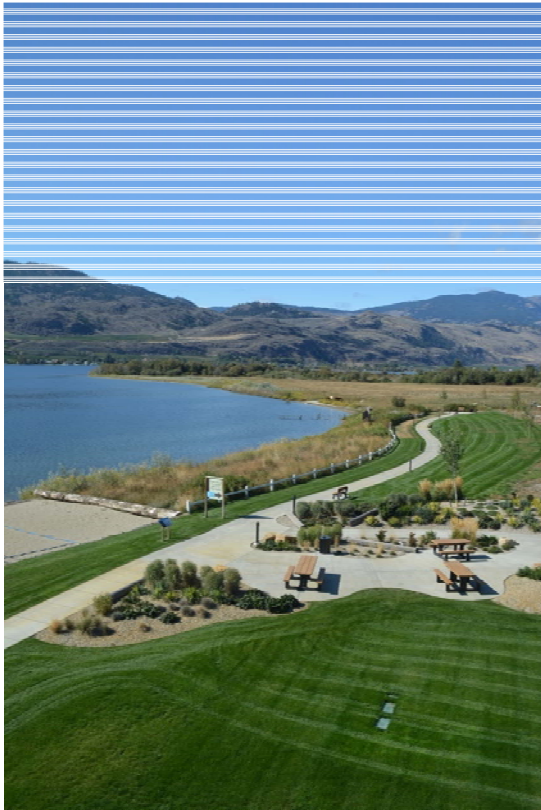
- Jody Curnow
- Greg Curnow

Hazelwood - 1974



24 Homes in Chilliwack -
\$18,000 to \$22,000

The Cottages - 2014



284 Homes in Osoyoos -
\$300,000 to \$1,000,000

Project Overview

- Total Homes – 284
- Occupied Homes – 46 (16.2%)
- Completed Homes – 50 (17.6%)
- Sold Homes – 90 (31.7%)
- Target Sell-out Date: 2019
- Target Construction Completion: 2020

Proposed 2014/2015 Budget

The COTTAGES ON OSOYOOS LAKE Proposed Budget - Nov 1, 2014 to Oct 30, 2015			
	55	Per Home/Per Month	Notes
REVENUE			
4500 Strata Fees	\$ 174,240	\$ 264.00	Based on 55 homes average over 12 month period
TOTAL INCOME	\$ 174,240	\$ 264.00	
EXPENSES			
6000 Repairs & Maintenance	\$ 3,000	\$ 4.55	
6013 Landscaping maintenance	\$ 33,000	\$ 50.00	\$50 per month x 12 months x 50 Homes
6039 Irrigation	\$ 2,000	\$ 3.03	
6043 Club House R&M (Janitorial & Supplies)	\$ 6,500	\$ 9.85	Janitorial and Supplies (Bldg under warranty)
6044 Pool Hot Tub R&M*	\$ 20,000	\$ 30.30	Supplies, propane, labour, etc. for seasonal use
6045 Snow Removal	\$ 1,500	\$ 2.27	3 snow clearings provided by developer
6055 Street Sweeping	\$ -	\$ -	Developer will supply as necessary
6080 Hydrant Testing	\$ 1,100	\$ 1.67	Developer will do this during construction phase
UTILITY EXPENSES			
6101 Electricity *	\$ 40,000	\$ 60.61	Clubhouse and Street lighting only (Exc. S&V Plant)
6113 Water & Sewer	\$ 39,000	\$ 59.09	\$780 per home per year (Developer covers extra cost)
6116 Garbage & Recycle	\$ 4,000	\$ 6.06	Based on estimate received
ADMINISTRATION			
6201 AGM	\$ 150	\$ 0.23	
6205 Admin/Bank Charges	\$ 1,000	\$ 1.52	
6206 Postage&Copies/Long Dis/fax	\$ -	\$ -	Email used exclusively
6210 Insurance	\$ 12,644	\$ 19.16	Including Clubhouse, Liability, etc.
6215 Management Fee	\$ 13,200	\$ 20.00	\$22 per month per home
**** Miscellaneous	\$ 3,000	\$ 4.55	
TOTAL OPERATING EXPENSES	\$ 180,094	\$ 272.87	
8180 CRF Contribution Owners	\$ 18,009	\$ 27.29	
TOTAL CRF CONTRIBUTIONS	\$ 18,009	\$ 27.29	
TOTAL EXPENSES	\$ 198,103	\$ 300.16	Oct 2014 Estimate
Deficit	23,863	\$ 36.16	Deficit covered by Developer

\$264 Per Month for Regular Homes;
\$396 Per Month for Lakefront Homes

Note: Actual cost to operate the project will be higher than this estimate

Deficit Covered by Developer

Reasons for Deficit (I)

- Clubhouse and Swimming Pools



Reasons for Deficit (2)

- Extra Landscaping



Reasons for Deficit (3)

- Extra Landscaping (Meadow and Beach Path)



Reasons for Deficit (4)

- Sewer and Water Treatment Plant



Reasons for Deficit (Summary)

- Landscaping +/- 40% complete
- Clubhouse 98% complete
- Pools 100% complete
- Sewer and Water Plant – 70% complete
- **Occupancy – 16% complete**

Budget Upon Completion

- This is the more-important budget, and the one I will focus most of my time on.

Projected Budget – 284 Homes (I)

COTTAGES ON OSOYOOS LAKE PROPOSED INTERIM BUDGET - Updated Oct 16, 2014			
	284 Homes Interim Budget	Monthly Per Standard Home	Notes
REVENUE			
4600 Strata Fees	\$ 826,811	\$ 230.82	Based on 255 Standard + 29 Lakefront Homes. Lakefront pay 1.5 x standard
TOTAL INCOME	\$ 826,811	\$ 230.82	
EXPENSES			
6000 Repairs & Maintenance	\$ 26,000	\$ 7.26	
6013 Landscaping maintenance	\$ 170,400	\$ 47.57	600 per home per year
6039 Irrigation	\$ 12,000	\$ 3.35	
6043 Club House R&M	\$ 20,000	\$ 5.58	Janitorial and Supplies
6044 Pool Hot Tub R&M	\$ 46,000	\$ 12.56	Supplies, propane, labor, etc. for seasonal use
6045 Snow Removal	\$ 5,000	\$ 1.40	
6055 Street Sweeping	\$ 5,000	\$ 1.40	
6080 Hydrant Testing	\$ 3,000	\$ 0.84	
UTILITY EXPENSES			
6101 Electricity *	\$ 75,000	\$ 20.94	Clubhouse and Street lighting only
6113 Water & Sewer	\$ 221,520	\$ 61.84	\$780 per home per year
6116 Garbage & Recycle	\$ 25,000	\$ 6.98	Based on estimate received
ADMINISTRATION			
6201 AGM	\$ 500	\$ 0.14	
6205 Admin/Bank Charges	\$ 1,000	\$ 0.28	
6206 Postage&Copies/Long Dis/Misc	\$ 250	\$ 0.07	Email used exclusively
6210 Insurance	\$ 17,000	\$ 4.75	Including Clubhouse, Liability, etc.
6215 Management Fee	\$ 74,976	\$ 20.93	\$22 per month per home
**** Miscellaneous	\$ 50,000	\$ 13.96	
TOTAL OPERATING EXPENSES	\$ 751,646	\$ 209.84	
8180 CRF Contribution Owners	\$ 75,165	\$ 20.98	
TOTAL CRF CONTRIBUTIONS	\$ 75,165	\$ 20.98	
TOTAL EXPENSES	\$ 826,811	\$ 230.82	
NET INCOME	-	-	Based on 255 standard + 29 lakefront = 284.5 homes

\$230.82 for standard home; \$346.23 for lakefront home

Budget is based on current cost estimates. Actual cost upon completion of project will vary.

Total \$826,811 - Breakeven

Projected Budget – 284 Homes (2)

COTTAGES ON OSOYOOS LAKE PROPOSED INTERIM BUDGET - Updated Oct 16, 2014			284 Homes Interim Budget	Monthly Per Standard Home	Notes
REVENUE					Based on 255 Standard + 29 Lakefront Homes. Lakefront pay 1.5 x standard
4600 Strata Fees			\$ 826,811	\$ 230.82	
TOTAL INCOME			\$ 826,811	\$ 230.82	
EXPENSES					
6000 Repairs & Maintenance			\$ 26,000	\$ 7.26	
6013 Landscaping maintenance			\$ 170,400	\$ 47.57	600 per home per year
6039 Irrigation			\$ 42,000	\$ 3.35	
6043 Club House R&M			\$ 20,000	\$ 5.58	Janitorial and Supplies
6044 Pool Hot Tub R&M*			\$ 46,000	\$ 12.56	Supplies, propane, labor, etc. for seasonal use
6045 Snow Removal			\$ 5,000	\$ 1.40	
6055 Street Sweeping			\$ 5,000	\$ 1.40	
6080 Hydrant Testing			\$ 3,000	\$ 0.84	
UTILITY EXPENSES					
6101 Electricity *			\$ 75,000	\$ 20.94	Clubhouse and Street lighting only
6113 Water & Sewer			\$ 221,520	\$ 61.84	\$780 per home per year
6116 Garbage & Recycle			\$ 25,000	\$ 6.98	Based on estimate received
ADMINISTRATION					
6201 AGM			\$ 500	\$ 0.14	
6205 Admin/Bank Charges			\$ 1,000	\$ 0.28	
6206 Postage&Copies/Long Dis/Misc			\$ 250	\$ 0.07	Email used exclusively
6210 Insurance			\$ 17,000	\$ 4.75	Including Clubhouse, Liability, etc.
6215 Management Fee			\$ 74,976	\$ 20.93	\$22 per month per home
**** Miscellaneous			\$ 50,000	\$ 13.96	
TOTAL OPERATING EXPENSES			\$ 751,646	\$ 209.84	
8180 CRF Contribution Owners			\$ 75,165	\$ 20.98	
TOTAL CRF CONTRIBUTIONS			\$ 75,165	\$ 20.98	
TOTAL EXPENSES			\$ 826,811	\$ 230.82	
NET INCOME			-	\$ -	Based on 255 standard + 29 lakefront = 284.5 homes

Landscape
Maintenance -
\$170,000. \$600 per
home, per year

Projected Budget – 284 Homes (3)

COTTAGES ON OSOYOOS LAKE PROPOSED INTERIM BUDGET - Updated Oct 16, 2014			Notes
	284 Homes Interim Budget	Monthly Per Standard Home	
REVENUE			
4600 Strata Fees	\$ 826,811	\$ 230.82	Based on 255 Standard + 29 Lakefront Homes. Lakefront pays 1.5 x standard
TOTAL INCOME	\$ 826,811	\$ 230.82	
EXPENSES			
6000 Repairs & Maintenance	\$ 26,000	\$ 7.26	
6013 Landscaping maintenance	\$ 170,400	\$ 47.57	600 per home per year
6039 Irrigation	\$ 12,000	\$ 3.35	
6043 Club House R&M	\$ 20,000	\$ 5.58	Janitorial and Supplies
6044 Pool Hot Tub R&M*	\$ 45,000	\$ 12.56	Supplies, propane, labor, etc. for seasonal use
6045 Snow Removal	\$ 5,000	\$ 1.40	
6055 Street Sweeping	\$ 5,000	\$ 1.40	
6080 Hydrant Testing	\$ 3,000	\$ 0.84	
UTILITY EXPENSES			
6101 Electricity *	\$ 75,000	\$ 20.94	Clubhouse and Street lighting only
6113 Water & Sewer	\$ 221,520	\$ 61.84	\$780 per home per year
6116 Garbage & Recycle	\$ 25,000	\$ 6.98	Based on estimate received
ADMINISTRATION			
6201 AGM	\$ 500	\$ 0.14	
6205 Admin/Bank Charges	\$ 1,000	\$ 0.28	
6206 Postage&Copies/Long Dis/Misc	\$ 250	\$ 0.07	Email used exclusively
6210 Insurance	\$ 17,000	\$ 4.75	Including Clubhouse, Liability, etc.
6215 Management Fee	\$ 74,976	\$ 20.93	\$22 per month per home
**** Miscellaneous	\$ 50,000	\$ 13.96	
TOTAL OPERATING EXPENSES	\$ 751,646	\$ 209.84	
8180 CRF Contribution Owners	\$ 75,165	\$ 20.98	
TOTAL CRF CONTRIBUTIONS	\$ 75,165	\$ 20.98	
TOTAL EXPENSES	\$ 826,811	\$ 230.82	
NET INCOME	-	\$ -	Based on 255 standard + 29 lakefront = 284.5 homes

Clubhouse, Pools –
total \$65,000 - \$231
per home

Projected Budget – 284 Homes (4)

COTTAGES ON OSOYOOS LAKE PROPOSED INTERIM BUDGET - Updated Oct 16, 2014			Monthly Per Standard Home	Notes
	284 Homes Interim Budget			
REVENUE				Based on 255 Standard + 29 Lakefront Homes. Lakefront pays 1.5 x standard
4600 Strata Fees	\$ 826,811	\$ 230.82		
TOTAL INCOME	\$ 826,811	\$ 230.82		
EXPENSES				
6000 Repairs & Maintenance	\$ 26,000	\$ 7.26		
6013 Landscaping maintenance	\$ 170,400	\$ 47.57		600 per home per year
6039 Irrigation	\$ 12,000	\$ 3.35		
6043 Club House R&M	\$ 20,000	\$ 5.58		Janitorial and Supplies
6044 Pool Hot Tub R&M*	\$ 46,000	\$ 12.56		Supplies, propane, labor, etc. for seasonal use
6045 Snow Removal	\$ 5,000	\$ 1.40		
6055 Street Sweeping	\$ 5,000	\$ 1.40		
6080 Hydrant Testing	\$ 3,000	\$ 0.84		
UTILITY EXPENSES				
6101 Electricity *	\$ 75,000	\$ 20.94		Clubhouse and Street Lighting only
6113 Water & Sewer	\$ 224,628	\$ 61.84		\$780 per home per year
6116 Garbage & Recycle	\$ 25,000	\$ 6.98		Based on estimate received
ADMINISTRATION				
6201 AGM	\$ 500	\$ 0.14		
6205 Admin/Bank Charges	\$ 1,000	\$ 0.28		
6206 Postage&Copies/Long Dis/Misc	\$ 250	\$ 0.07		Email used exclusively
6210 Insurance	\$ 17,000	\$ 4.75		Including Clubhouse, Liability, etc.
6215 Management Fee	\$ 74,976	\$ 20.93		\$22 per month per home
**** Miscellaneous	\$ 50,000	\$ 13.96		
TOTAL OPERATING EXPENSES	\$ 751,646	\$ 209.84		
8180 CRF Contribution Owners	\$ 75,165	\$ 20.98		
TOTAL CRF CONTRIBUTIONS	\$ 75,165	\$ 20.98		
TOTAL EXPENSES	\$ 826,811	\$ 230.82		
NET INCOME	-	\$ -		Based on 255 standard + 29 lakefront = 284.5 homes

Electricity - \$75,000 -
\$264 per home

Projected Budget – 284 Homes (5)

COTTAGES ON OSOYOOS LAKE PROPOSED INTERIM BUDGET - Updated Oct 16, 2014			284 Homes Interim Budget	Monthly Per Standard Home	Notes
REVENUE					Based on 255 Standard + 29 Lakefront Homes. Lakefront pays 1.5 x standard
4600 Strata Fees			\$ 826,811	\$ 230.82	
TOTAL INCOME			\$ 826,811	\$ 230.82	
EXPENSES					
6000 Repairs & Maintenance			\$ 26,000	\$ 7.26	
6013 Landscaping maintenance			\$ 170,400	\$ 47.57	600 per home per year
6039 Irrigation			\$ 12,000	\$ 3.35	
6043 Club House R&M			\$ 20,000	\$ 5.58	Janitorial and Supplies
6044 Pool Hot Tub R&M*			\$ 46,000	\$ 12.56	Supplies, propane, labor, etc. for seasonal use
6045 Snow Removal			\$ 5,000	\$ 1.40	
6055 Street Sweeping			\$ 5,000	\$ 1.40	
6080 Hydrant Testing			\$ 3,000	\$ 0.84	
UTILITY EXPENSES					
6101 Electricity *			\$ 75,000	\$ 20.94	Clubhouse and Street lighting only
6113 Water & Sewer			\$ 221,520	\$ 61.84	\$780 per home per year
6116 Garbage & Recycle			\$ 25,880	\$ 6.98	Based on estimate received
ADMINISTRATION					
6201 AGM			\$ 500	\$ 0.14	
6205 Admin/Bank Charges			\$ 1,000	\$ 0.28	
6206 Postage&Copies/Long Dis/Trac			\$ 250	\$ 0.07	Email used exclusively
6210 Insurance			\$ 17,000	\$ 4.75	Including Clubhouse, Liability, etc.
6215 Management Fee			\$ 74,976	\$ 20.93	\$22 per month per home
**** Miscellaneous			\$ 50,000	\$ 13.96	
TOTAL OPERATING EXPENSES			\$ 751,646	\$ 209.84	
8180 CRF Contribution Owners			\$ 75,165	\$ 20.98	
TOTAL CRF CONTRIBUTIONS			\$ 75,165	\$ 20.98	
TOTAL EXPENSES			\$ 826,811	\$ 230.82	
NET INCOME			-	\$ -	Based on 255 standard + 29 lakefront = 284.5 homes

Sewer and Water Plant -
\$221,520 - \$780 per home.
Based on Engineer's Estimate.
Includes Operator, Chemicals,
Electricity, Replacement
Reserve.

Projected Budget – 284 Homes (6)

COTTAGES ON OSOYOOS LAKE PROPOSED INTERIM BUDGET - Updated Oct 16, 2014			Notes
	284 Homes Interim Budget	Monthly Per Standard Home	
REVENUE			Based on 255 Standard + 29 Lakefront Homes.
4600 Strata Fees	\$ 826,811	\$ 230.82	Lakefront pay 1.5 x standard
TOTAL INCOME	\$ 826,811	\$ 230.82	
EXPENSES			
6000 Repairs & Maintenance	\$ 26,000	\$ 7.26	
6013 Landscaping maintenance	\$ 170,400	\$ 47.57	600 per home per year
6039 Irrigation	\$ 12,000	\$ 3.35	
6043 Club House R&M	\$ 20,000	\$ 5.58	Janitorial and Supplies
6044 Pool Hot Tub R&M*	\$ 46,000	\$ 12.56	Supplies, propane, labor, etc. for seasonal use
6045 Snow Removal	\$ 5,000	\$ 1.40	
6055 Street Sweeping	\$ 5,000	\$ 1.40	
6080 Hydrant Testing	\$ 3,000	\$ 0.84	
UTILITY EXPENSES			
6101 Electricity *	\$ 75,000	\$ 20.94	Clubhouse and Street lighting only
6113 Water & Sewer	\$ 221,520	\$ 61.84	\$780 per home per year
6116 Garbage & Recycle	\$ 25,000	\$ 6.98	Based on estimate received
ADMINISTRATION			
6201 AGM	\$ 500	\$ 0.14	
6205 Admin/Bank Charges	\$ 1,000	\$ 0.28	
6206 Postage&Copies/Long Dis/Misc	\$ 258	\$ 0.07	Email used exclusively
6210 Insurance	\$ 17,000	\$ 4.75	Not including clubhouse, liability, etc.
6215 Management Fee	\$ 74,076	\$ 20.93	\$22 per month per home
xxxx Miscellaneous	\$ 50,000	\$ 13.96	
TOTAL OPERATING EXPENSES	\$ 751,646	\$ 209.84	
8180 CRF Contribution Owners	\$ 75,165	\$ 20.98	
TOTAL CRF CONTRIBUTIONS	\$ 75,165	\$ 20.98	
TOTAL EXPENSES	\$ 826,811	\$ 230.82	Based on 255 standard + 29 lakefront = 298.5 homes
NET INCOME	-	\$ -	

Insurance - \$17,000

Projected Budget – 284 Homes (7)

COTTAGES ON OSOYOOS LAKE PROPOSED INTERIM BUDGET - Updated Oct 16, 2014			Notes
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REVENUE			Based on 255 Standard + 29 Lakefront Homes.
4600 Strata Fees	\$ 826,811	\$ 230.82	Lakefront pay 1.5 x standard
TOTAL INCOME	\$ 826,811	\$ 230.82	
EXPENSES			
6000 Repairs & Maintenance	\$ 26,000	\$ 7.26	
6013 Landscaping maintenance	\$ 170,400	\$ 47.57	600 per home per year
6039 Irrigation	\$ 12,000	\$ 3.35	
6043 Club House R&M	\$ 20,000	\$ 5.58	Janitorial and Supplies
6044 Pool Hot Tub R&M*	\$ 46,000	\$ 12.56	Supplies, propane, labor, etc. for seasonal use
6045 Snow Removal	\$ 5,000	\$ 1.40	
6055 Street Sweeping	\$ 5,000	\$ 1.40	
6080 Hydrant Testing	\$ 3,000	\$ 0.84	
UTILITY EXPENSES			
6101 Electricity *	\$ 75,000	\$ 20.94	Clubhouse and Street lighting only
6113 Water & Sewer	\$ 221,520	\$ 61.84	\$780 per home per year
6116 Garbage & Recycle	\$ 25,000	\$ 6.98	Based on estimate received
ADMINISTRATION			
6201 AGM	\$ 500	\$ 0.14	
6205 Admin/Bank Charges	\$ 1,000	\$ 0.28	
6206 Postage&Copies/Long Dis/Mac	\$ 250	\$ 0.07	Email used exclusively
6210 Insurance	\$ 17,000	\$ 4.75	Including Clubhouse, Liability, etc.
6215 Management Fee	\$ 74,976	\$ 20.93	\$22 per month per home
**** Miscellaneous	\$ 50,000	\$ 13.96	
TOTAL OPERATING EXPENSES	\$ 751,646	\$ 209.84	
8180 CRF Contribution Owners	\$ 75,165	\$ 20.98	
TOTAL CRF CONTRIBUTIONS	\$ 75,165	\$ 20.98	
TOTAL EXPENSES	\$ 826,811	\$ 230.82	Based on 255 standard + 29 lakefront = 298.5 homes
NET INCOME	-	\$ -	

Misc. / Contingency -
\$50,000

Projected Budget – 284 Homes (8)

COTTAGES ON OSOYOOS LAKE PROPOSED INTERIM BUDGET - Updated Oct 16, 2014			Notes
	284 Homes Interim Budget	Monthly Per Standard Home	
REVENUE			Based on 255 Standard + 29 Lakefront Homes.
4600 Strata Fees	\$ 826,811	\$ 230.82	Lakefront pay 1.5 x standard
TOTAL INCOME	\$ 826,811	\$ 230.82	
EXPENSES			
6000 Repairs & Maintenance	\$ 26,000	\$ 7.26	
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6055 Street Sweeping	\$ 5,000	\$ 1.40	
6080 Hydrant Testing	\$ 3,000	\$ 0.84	
UTILITY EXPENSES			
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6116 Garbage & Recycle	\$ 25,000	\$ 6.98	Based on estimate received
ADMINISTRATION			
6201 AGM	\$ 500	\$ 0.14	
6205 Admin/Bank Charges	\$ 1,000	\$ 0.28	
6206 Postage&Copies/Long Dis/Misc	\$ 250	\$ 0.07	Email used exclusively
6210 Insurance	\$ 17,000	\$ 4.75	Including Clubhouse, Liability, etc.
6215 Management Fee	\$ 74,976	\$ 20.93	\$22 per month per home
xxxx Miscellaneous	\$ 50,000	\$ 13.96	
TOTAL OPERATING EXPENSES	\$ 751,646	\$ 209.84	
8180 CRF Contribution Owners	\$ 75,165	\$ 20.98	
TOTAL CRF CONTRIBUTIONS	\$ 75,165	\$ 20.98	
TOTAL EXPENSES	\$ 826,811	\$ 230.82	Based on 255 standard + 29 lakefront = 298.5 homes
NET INCOME	-	\$ -	

→ Reserve Fund -
\$75,000

Projected Budget – 284 Homes (9)

COTTAGES ON OSOYOOS LAKE PROPOSED INTERIM BUDGET - Updated Oct 16, 2014			Notes
	284 Homes Interim Budget	Monthly Per Standard Home	
REVENUE			Based on 255 Standard + 29 Lakefront Homes.
4600 Strata Fees	\$ 826,811	\$ 230.82	Lakefront pay 1.5 x standard
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ADMINISTRATION			
6201 AGM	\$ 500	\$ 0.14	
6205 Admin/Bank Charges	\$ 1,000	\$ 0.28	
6206 Postage&Copies/Long Dis/Tax	\$ 250	\$ 0.07	Email used exclusively
6210 Insurance	\$ 47,000	\$ 4.75	Including Clubhouse, Liability, etc.
6215 Management Fee	\$ 74,976	\$ 20.93	\$22 per month per home
xxxx Miscellaneous	\$ 50,000	\$ 13.96	
TOTAL OPERATING EXPENSES	\$ 751,846	\$ 209.84	
8180 CRF Contribution Owners	\$ 75,165	\$ 20.98	
TOTAL CRF CONTRIBUTIONS	\$ 75,165	\$ 20.98	
TOTAL EXPENSES	\$ 826,811	\$ 230.82	Based on 255 standard + 29 lakefront = 298.5 homes
NET INCOME	-	\$ -	

Management Fee -
\$74,976

Projected Budget – 284 Homes (10)

COTTAGES ON OSOYOOS LAKE PROPOSED INTERIM BUDGET - Updated Oct 16, 2014			Monthly Per Standard Home	Notes
	284 Homes Interim Budget			
REVENUE				
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EXPENSES				
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UTILITY EXPENSES				
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ADMINISTRATION				
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6205 Admin/Bank Charges	\$ 1,000	\$ 0.28		
6206 Postage&Copies/Long Dis/Mac	\$ 250	\$ 0.07		Email used exclusively
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TOTAL OPERATING EXPENSES	\$ 751,646	\$ 209.84		
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TOTAL CRF CONTRIBUTIONS	\$ 75,165	\$ 20.98		
TOTAL EXPENSES	\$ 826,811	\$ 230.82		
NET INCOME	-	\$ -		Based on 255 standard + 29 lakefront = 284.5 homes

\$230.82 for standard home; \$346.23 for lakefront home

Total \$826,81 - Breakeven

Approval of 2014/2015 Budget

The COTTAGES ON OSOYOOS LAKE Proposed Budget - Nov 1, 2014 to Oct 30, 2015			
	55	Per Home/Per Month	Notes
REVENUE			
4500 Strata Fees	\$ 174,240	\$ 264.00	Based on 55 homes average over 12 month period
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EXPENSES			
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6013 Landscaping maintenance	\$ 33,000	\$ 50.00	\$50 per month x 12 months x 50 Homes
6039 Irrigation	\$ 2,000	\$ 3.03	
6043 Club House R&M (Janitorial & Supplies)	\$ 6,500	\$ 9.85	Janitorial and Supplies (Bldg under warranty)
6044 Pool Hot Tub R&M*	\$ 20,000	\$ 30.30	Supplies, propane, labour, etc. for seasonal use
6045 Snow Removal	\$ 1,500	\$ 2.27	3 snow clearings provided by developer
6055 Street Sweeping	\$ -	\$ -	Developer will supply as necessary
6080 Hydrant Testing	\$ 1,100	\$ 1.67	Developer will do this during construction phase
UTILITY EXPENSES			
6101 Electricity *	\$ 40,000	\$ 60.61	Clubhouse and Street lighting only (Exc. S&W Plant)
6113 Water & Sewer	\$ 39,000	\$ 59.09	\$780 per home per year (Developer covers extra cost)
6116 Garbage & Recycle	\$ 4,000	\$ 6.06	Based on estimate received
ADMINISTRATION			
6201 AGM	\$ 150	\$ 0.23	
6205 Admin/Bank Charges	\$ 1,000	\$ 1.52	
6206 Postage&Copies/Long Dis/fax	\$ -	\$ -	Email used exclusively
6210 Insurance	\$ 12,644	\$ 19.16	Including Clubhouse, Liability, etc.
6215 Management Fee	\$ 13,200	\$ 20.00	\$22 per month per home
**** Miscellaneous	\$ 3,000	\$ 4.55	
TOTAL OPERATING EXPENSES	\$ 180,094	\$ 272.87	
8180 CRF Contribution Owners	\$ 18,009	\$ 27.29	
TOTAL CRF CONTRIBUTIONS	\$ 18,009	\$ 27.29	
TOTAL EXPENSES	\$ 198,103	\$ 300.16	Oct 2014 Estimate
Deficit	23,863	\$ 36.16	Deficit covered by Developer

\$264 Per Month for Regular Homes;
\$396 Per Month for Lakefront Homes

Note: Actual cost to operate the project will be higher than this estimate

Vote by Show of Hands

Property Management (I)

- What is the most cost-effective way of managing the property?
 - 1) Third Party off-site Property Manager
 - Cost +/- \$20 per home per month (\$70,000)
 - 2) Full-time on-site Property Manager
 - Cost – about the same as an off-site Property Manager

Property Management (2)

- Recommendation: Developer continues to manage the property for 2014/2015 at a cost of \$20 per month per home.
 - Directors can terminate Developer's management contract upon 3-months' notice
 - Vote by show of hands

Sewer and Water Plant Management

- Requires Certified Operator
 - Option 1 – Third-party off-site management. Cost +/- \$110,000 per year
 - Option 2 – Full-time on-site manager. Cost +/- \$90,000 per year
 - Management time is estimated at approximately 20 hours per week, leaving 20 hours available for other duties
 - Recommendation: Developer continues to manage the S&W plant, and charges Stelkia Homeowners Corp. \$780 per home, per year
- Vote by show of hands



Election of Directors

- Each OWNER has one share and one vote
- Developer still holds approx. 950 votes
 - Developer will not interfere in the property management, except as it may affect project marketability
 - Developer will not vote for elected directors
 - Developer will appoint Jody Curnow as director and secretary
- Homeowners to elect 4 directors
- The 5 Directors will elect the President and other Officers



Election of Directors

Introductions:

- Ruth Walton – 206
- Anna Greco-Taylor – 229
- Norm Behm – 230
- Jackie Wittchen – 124
- Linda Forrester – 100
- Art Abram - 202

The Cottages on Osoyoos Lake



Question Period