

Minutes of the Meeting of the Board of Directors of Condominium Corporation No. 9710379 operating as Square Butte Ranch

Date and Time: April 21, 2022 at 3:00 p.m. The meeting was held electronically.

Directors Present: Denise McMullen, Max Gibb, Terry Royer, Steve Banschky, Gary Bennett, Lori Young and Yvonne Gaudet.

Regrets: Bob Lunge, Renaissance Management

Present by Invitation: Grant Kelba for a portion of the meeting.

1. The meeting was called to order at 3:08 with Denise McMullen acting as Chairman.

2. Agenda

The agenda as prepared by Denise McMullen was reviewed.

Motion: Agenda be approved.

Moved by Denise McMullen and seconded by Terry Royer. Passed unanimously.

3. Minutes (of prior meeting)

Motion: The minutes of the last board meeting (being the March 24 meeting) as previously circulated to members by Yvonne Gaudet be approved.

Moved by Yvonne Gaudet and seconded by Terry Royer that the minutes be approved. Passed unanimously.

4. Renaissance Management Report

Bob Lunge was not in attendance to present his report. The board reviewed and discussed the highlights of his April 19 written submission as previously circulated to the board.

Financials

The board reviewed the financials report as at March 31, 2022 showing that overall operations expenses to that time were under budget. Discussion followed regarding several budget items that were under or over budget to gain better clarity. In some cases over budget items are likely tied to an invoice schedule and is a payment timing issue. Denise McMullen will follow up with Renaissance on a couple of the budget items discussed by the board to gain a better understanding.

Maintenance/Staff

Bob's report noted a potential for summer employment for grass cutting at the townhomes. This item is further discussed under Operations Committee Report (item 7).

Governance/Bylaws

Bob's report noted a question regarding the status of the draft bylaw changes to current legislation. Denise reported to the board that she had circulated the draft bylaw changes to the Governance Committee for review and comment. Since then an electronic response with feedback was sent back to Sandy Cameron. Denise further explained to the board that the draft bylaws, as prepared by Sandy Cameron, had in a small number of ways gone beyond the scope of what was needed or requested. Denise will follow up with Sandy Cameron and communicate that changes to the bylaws be in accordance with only what is required by legislation.

The board's discussion regarding instructions to Sandy in respect of bylaw revisions led to a broader governance discussion pertaining to requests for legal and financial/audit advice. It was acknowledged that a communication protocol for these two professional services would strengthen the board's governance role.

Motion: That the board establish a protocol that appoints, on an annual basis, individuals named by the board as point persons for requests for legal advice from the Corporation's lawyers and financial/audit advice from the corporation's auditors. The point person from the board would broadly act to confirm instructions and scope of work. In the case of this board's term, Denise McMullen is currently appointed as point person for requests for legal and audit advice.

Moved by Terry Royer and seconded by Steve Banzsky

Credit Card for Internet

Bob's report noted that an application for a low limit Master Card linked to the operation's chequing account has been applied for to facilitate setting up a Starlink account for the ranch and paying monthly Starlink invoices. The Master Card will remain in Renaissance's possession with Bob Lunge as the signatory and will not be used for any purpose other than a Starlink account without the express approval of the board. Steve will work with Renaissance to order Starlink once the low limit credit card is received.

Wind Damage Insurance Claim

Bob's report noted the adjuster's update on the progress of saloon repairs including the North wall. There has been a proposal for the outside cladding to be replaced with rough pine instead of rough cedar as a more cost effective material. Once the board has determined how they would like to proceed, the remaining repairs can be completed. Additionally, the adjuster reported that a roofing vendor had been scheduled to complete the roof repairs on the saloon as the materials have arrived. This will allow the tarp to be removed. Unfortunately due to inclement weather that would create safety issues the work was postponed.

Additional wind damage insurance repair updates are discussed under Operations Management Report (item 6).

Insurance Renewal

Bob's report noted that our insurance coverage with Gallagher is set to expire on May 2, 2022. The board first discussed the insurance appraisal and cost of coverage for the upcoming year as previously circulated to the board, which shows a significant increase in both. The board also reviewed Bob's summary of other insurance companies who were approached to provide a quote and declined to do so. Additionally, the board acknowledged that there is a complex and active insurance claim underway with Gallagher and a change at this time might not be advantageous.

Motion: Renew the insurance policy renewal with Gallagher effective May 2, 2022 with a specific direction to seek competitive quotes for 2023/2024 early in 2023 and several months before the policy expiry date.

Moved by Denise McMullen and seconded by Steve Banzsky. Passed unanimously.

Denise will communicate the board's decision to Renaissance.

Generator Funding Budget Options

Bob's report provided funding scenarios for the \$37,000 estimated cost of a suitable backup generator for the water treatment plant. Bob also noted that he has confirmed with the auditor that such an expense could not be covered from the common area reserve fund. This item is further discussed under Water Committee Report (item 5).

5. Water Committee Report

Steve Banzsky presented the water committee report.

Water Usage/Cost Allocation Report - Steve reported that issues are still being worked on related to questions regarding meter readings for some units and the inputting of data into the cost allocation spreadsheet report. He will follow up with Grant to provide him with assistance as needed. There will be no necessity for over-use charge backs to owners for water usage for the months of February and March since the well was able to provide sufficient water.

Water Plant Generator - Back-up Generator for Water Treatment Plant - Steve presented Bob Lunge's proposed options for funding a generator as previously circulated to the board for review. Steve also advised that he and Denise had received confirmation from Foothills County that there are no funding or subsidy programs available to cover any part of the cost for the purchase and installation of a generator at this time such that if such a generator was to be acquired and installed a funding source would have to be identified.

The board spent considerable time discussing the funding options and the pros, cons, and financial impacts to the condo corporation and the owners. There was full agreement that if a material and unbudgeted expenditure is to be made there must be a visible and tangible benefit to the community that justifies the related cost.

Steve advocated for owners to receive a detailed notice of the advantages of a backup generator for the water plant, both in tangible (cost savings and recovery) and intangible (reduction of service interruption). Steve and Denise will follow up with Dennis and Mike

from Foothills MD who manage our water treatment plant to obtain their opinion of the specific advantages as part of the board's cost-benefit analysis substantiation.

Motion: That Steve Banzsky draft a communication to Unit owners presenting advantages to owners of the acquisition and installation of a backup generator for the water treatment plant and the related funding recommendations.

Moved by Denise McMullen and seconded by Steve Bansky. Passed unanimously.

6. Operations Management Report (Grant Kelba)

Grant Kelba was invited for a portion of the meeting and presented his report as previously circulated to the board.

- He reported that the garbage/recycling shed roof repair is completed and the estimated cost for material and labour was lower than the insurance budget.
- He reported that the Townhouse replacement windows have arrived and will be replaced in a week's time.
- He reported that Zeus Demolition has completed the perimeter fence repairs.
- He reported that he obtained quotes from several companies regarding the repair and replacement of the townhouse eavestroughs.
- He reported that he is continuing to review quotes on the repair of the exterior North Wall of the Saloon and source different rough cut wood material options. Following considerable discussion as to whether the use of a more cost effective material would result in a less attractive exterior wall, the board requested that Grant arrange for stain be applied to a pine board and a cedar board and then present the result to the board with a recommendation.
- He reported that he is awaiting the structural engineering report from Quinn Saretsky Structural Engineers on evaluation of the Saloon South Wall.
- He reported that graveling Chinook Ridge will continue once the road bans are removed.

7. Operations Committee Report

Gary Bennett presented the operations report.

- Square Butte Forest Management - Gary reported that he and Grant have been approached by Private Timber Logging Specialists who would like to make a presentation to the board concerning selective logging of our common area lands to continue the post-storm cleanup. The company they partner with, GreenLink Forestry Inc, uses LiDAR (light detection and ranging) which is a remote sensing technique used to survey and map forest inventories. The inventory can then be used to create a forest management plan for selective logging. There are other Square Butte neighbours where a business relationship is possible due to their level of property damage from the windstorm in the area. Following the board's discussion it was agreed that Gary will follow up and organize the presentation.
- Townhouse Evestroughs Repair and Replacement - The quotes obtained by Grant were reviewed by the board and the board selected Epic Roofing as the preferred vendor based on the quality of their work on the Townhouse roofs. Grant will go back to Epic to discuss the quote and identify a start date for the first two phases of the project.

- Townhouse Summer Grounds Keeping Plan - Gary reported that a meeting has been booked with townhouse residents in order to gather their input into a summer lawn mowing schedule. The input received will inform an approach and an estimate of the staff time required. Hiring a casual employee to assist with this work for the summer is being considered and will allow Clay and Doug to focus on other seasonal work projects and the board generally approved this approach subject to receiving a budget from Grant. Operations will follow up with Renaissance to confirm the budget allocation, payroll and other requirements such as WCB for casual summer employment.

8. Previous Business

- Emergency Response Plan and Emergency Supplies Update - Lori Young presented her project update as previously circulated to the board. The focus of recent activity has been on updating the inventory and description of emergency supplies and equipment. This includes the Lifepak CR plus defibrillator, first aid kit, megaphone, fire blanket, splints and stretcher. The two SPOT subscriptions have been renewed as well. Lori also indicated that the emergency supplies are now being housed in new cabinets in the barn and are clearly marked just inside the west side door of the barn. First aid training will be scheduled when the Saloon is available. Lori indicated that she will provide an Emergency Response Plan and Emergency Supplies communication update to owners/residents.

- Website Upgrade - Yvonne Gaudet presented her project update as previously circulated to the board. Key highlights included that the website project is in the design stage. It was also reported that at the beginning of the design stage a new Unit owner, Shannon Gibbons, reached out to express a strong interest in providing her expertise in website design and development to the SBR website redevelopment project. Following several exploratory discussions it was agreed that an "in-house" approach to the development of the website would have many positive benefits. The launch of the new website is currently targeted for mid-June.

- Barn Renovation Proposal Update - The board received an update from the Ranch Club, including pictures, which showcased the renovations. The board agreed that all requirements had been met to maintain the rustic, Western personality of the barn. The board acknowledged the community volunteers who completed the project on a self-funded basis and commented that it was very professionally done.

- Community Garden Proposal Update - The Community Garden group provided additional information to the board as a follow up to the original proposal. The board reviewed the proposal addendum and were satisfied with the updated information.

Motion: The board approve the establishment of a community garden on a pilot basis as outlined in the original proposal and addendum.

Moved by Terry Royer and seconded by Lori Young. Passed unanimously.

9. New Business

Replacement of Leo Kylo - Architectural Guidelines Consultant - A recommendation came forward from Lori Young regarding a potential candidate to replace Leo Kylo. Denise McMullen followed up and contacted Gord Tate who is a retired construction business owner who lives in the Bragg Creek area. Denise provided him with information regarding the consultant role and at the conclusion of the conversation Gord confirmed his interest in being

considered. Denise had previously circulated to the board Gord's resume for review. Following the board's discussion it was agreed that Gord was well qualified for this role. Denise offered to prepare the draft Letter of Agreement and to circulate it to the board for review.

Communications Policy and Code of Conduct - Denise McMullen presented a draft Communications Policy and Code of Conduct as previously circulated to the board. Denise noted that the draft document is a revision/update of a 2016 document adopted by the 2016 board and used at the ranch previously. The first section of the draft policy addresses the issue of a Code of Conduct for interpersonal interactions at the ranch and the second section addresses communications procedures. The board discussed its commitment to supporting a congenial environment and also recognized its fiduciary and legal responsibility as an employer. The board adopted, as of April 21, 2022, the revised Communications Policy and Code of Conduct. Denise will prepare a communication to owners/residents and work with Renaissance to distribute.

Chargebacks - The matter of chargebacks between the Condo Corp and the Ranch Club was brought forward for discussion and clarification. There are current guidelines in place. The board's philosophy is that while there may be instances where clarification is required, if in doubt Renaissance and the board should be alerted and consulted. Denise will work with Renaissance and follow up to communicate the board's philosophy to the necessary parties.

10. Next Meeting

The next meeting of the Board is scheduled to be held May 26 at 4:00 p.m.

11. Adjournment

Motion: The meeting be adjourned at 6:30 p.m.

Moved by Yvonne Gaudet and passed unanimously.