



PARADISE ISLAND BEACH CLUB

***Annual General Meeting
Thursday, September 22, 2016***

The meeting was held at the Paradise Island Beach Club ("PIBC"). Chairman of the PIBC Management Committee, Jim Martens called the meeting to order at 4:00 p.m. The Chairman confirmed that the members present and the proxies received exceeded the minimum requirement of six (6) members or 110 proxies.

Introductions

Mr. Martens welcomed attendees and introduced the Management Committee members. Present were:-

- James Martens – Chairman
- David Rice – Member Representative / Elected
- Scott Sieck – Member Representative / Elected``
- Robert Groff – Founder Member / Appointed
- Maria Castrechini – Founder Member / Appointed
- Tony Knowles – General Manager

Mr. Martens announced that Theresa Haven-Adderley was Recording Secretary for the Meeting.

Following is a list of Members present and number of weeks owned:

<i>First Name</i>	<i>Last Name</i>	<i># of Weeks Owned</i>
Elizabeth	Green	2
Christine & George	Johnson	2
Maureen	Sieck	5
Patricia	Mahar	1
Glenna & James	Martens	2
Gary	Johnson	5
George	McCormick	2
Sally	Rice	14
Andrea & Arnold	Stahl	3
Perry	Swearingen	2
Mary	Barinus(?)	3

Mr. Martens presented the agenda for the Meeting and the 2015 AGM Minutes and invited motions to accept.

Meeting Agenda:

Motion to accept the Meeting Agenda as posted to the Club's website

- 1st – Christine Johnson
- 2nd – ?

Unanimous vote.

2014 AGM Minutes:

Motion to approve 2014 AGM Minutes as posted to website

- 1st – Gary Johnson
- 2nd – Arnold Stahl

Unanimous vote.

Mr. Martens presented the Chairman's Report and noted the following:-

- Over the past 9 years, since Tony Knowles joined the Management team, the Club continues to grow and improve. There are many upgrades and improvements which will be detailed by Tony in his report.
- Here in The Bahamas, it is necessary to have lots of imports. Very few things can be gotten locally. A great deal of time is therefore spent on ordering and taking delivery of items required to upgrade the Club. You will see that upgrades are being continued as the aim and objective of the Management is to continue to enhance the property and improve the Club experience.
- One of the concerns over the past few years has been defaulted weeks, though, today we are experiencing less of these now than in the past. We continue to successfully manage a rental program that offsets the defaulted weeks considerably.
- The Committee has established an aggressive program of improvements and accomplishments in the past year. Management will continue to upgrade the Units and the Club.
- One of the major expenses which the Club had to address is the high energy costs, largely due to hot-water heaters and air conditioning units. In 2015 and 2016 the Committee implemented an energy efficient initiative which is producing significant cost-savings for the Club. This initiative includes:-
 - a) Installation of new hot water heaters;
 - b) Purchase and installation of energy-efficient air conditioning systems in all Villas – this should save about 30% in costs which could be used to purchase more Units;
 - c) Installation of energy management system which will save on energy and cut down on the wear and tear of the equipment; and
 - d) Continuation of the installation of interior and exterior LED lighting throughout the property – these last longer and results in savings in electricity charges and cost of purchasing lightbulbs.
- Planned improvements for 2017/2018 will include:-
 1. New mattresses and box springs for all Villas;
 2. New and upgraded pillows for all Villas;
 3. New and upgraded linens for all Villas;
 4. Larger television sets (50") for all Villa living rooms;

We plan to start these improvements from the rear Units, moving forward, based on availability of Units. We have just received \$875k in duty concessions from the Bahamas Government to further improve and enhance the Club. This will give us the opportunity to bring in the air conditioning units, etc., duty-free. We have also secured a \$400k loan for capital improvements and to ensure that we can take full advantage of the concessions, which will be extended through 2017/2018. We are looking to raise the maintenance fees by \$20, effective in 2017 to be paid at check-out. This would avoid having to make a special assessment. Management's plan is to have the property completed by the end of 2018.

- The Committee and the Membership greatly appreciate the time and effort that Tony Knowles has given this year and in previous years. On behalf of the Management Committee, and the Membership, we again give special commendation and recognition to him for his efforts and accomplishments.
- The Committee also wishes to thank David Rice for his contributions. David has just completed his term of 4 years as a Management Committee member.
- Club Members are again invited to address any concerns to their elected Committee Members. The Management Committee acknowledges that the Club has great employees under the able management of Tony. Tony and his staff remain willing to satisfactorily address all concerns. The Management Committee works closely with Tony and his team to assist in providing the best possible vacation experience here at the Club.

Financial Overview:

The Chairman noted the following:-

- ✓ The 2015 audited financials are posted online in the "Members Only" section of the Club's website.
- ✓ The Club is doing well financially. We went from a negative equity of \$7,608 in 2014 to a positive balance of \$98,462 in 2015.
- ✓ As of August 2016, the Club continues to run a positive balance. It is commendable that we will continue to be financial sound.

Management Report:

Vote of thanks: Management thanks the Management Committee and the Members of the Club for the opportunity given to serve and the general support to the Management team. Personal thanks given to David Rice, who has just finished his term on the Management Committee for his support.

Enhancements and continued progress in the goals to improve the overall vacation experience at the Club continue. The following points are to be noted:-

Reservations: This is a primary concern. The Winter Season is usually the biggest challenge. Weeks 5 through 12 create a supply-and-demand issue. Management Committee has taken a decision that all defaulted Winter Season weeks will be rented and not sold. The same will occur for Summer Ocean weeks. Members will have first opportunity to reserve weeks. There

was a marketing plan for reservations put in place a few years ago; we are reaping the rewards this year.

Some of the concerns expressed are:

- (a) Retaining the discounted concession,
- (b) Threat of zika virus – we began a fogging program between 5 - 7:30 a.m. and at dusk. Some changes have been done to the property – for example, planters were inspected and those near Units 27 and 28 were taken out and exchanged for a bridge,
- (c) Seawall - improvements were made. These were needed after having observed the devastating Category 4 Hurricane Joaquin last year. The actions should minimize the risk of loss due to hurricanes. Some tall coconut trees were also replaced by new ones.
- (d) Insurance Adjusters – We have benefited from discounted savings (over \$8k). We have been able to create 10 new parking spaces for guests.
- (e) Air-conditioning/energy management system – This has now been installed.

Property: The Club has attained “Select” status (up from Standard) internationally. The higher status of “Premium” requires that there is a washer & dryer in all Units. The Club has also achieved being the recipient of TripAdvisor’s Certificate of Excellence Award again for the 6th year. The Club continues to be included in the bookings.com website.

The achievements of the Club are made possible because of the great team that PIBC has. Recognition is now given to a few of them who went above and beyond in their duties, aiding in the Club’s success.

- ★ Martha Smith – Sales
- ★ Shenique Deveau – Controls Record Maintenance
- ★ Derek Rolle – Maintenance Department;
- ★ Leo Jones – Bartender
- ★ Carol Arnett – Head of Housekeeping
- ★ Sandra Roberts – Mini-Mart / Deli

2016 Elections:

Four candidates participated in the elections process for the position of Committee Member in replacement of David Rice, who is stepping down. There were a total of 243 votes received. Following are the nominees and voting results:-

<i>Nominee</i>	<i>Manual Votes</i>	<i>Online Votes</i>	<i>Total</i>
Monica Berckes	11	110	121
Joseph F. Carillo II	23	33	56
Patrick Delaney	2	33	35
Scott Sieck	62	118	180

Unfinished Business from 2015: None known.

New Business:

Questions/comments from Members and answers by the Management Committee Members:

- Wi-Fi/Internet: Problems continue with access to wi-fi and internet. Recent information received that during the renovations supply to the devices was disrupted.

Last year, there was installation of fibre-optics by Bahamas Telephone Company. This will provide television services and improve internet and wi-fi access. Suggestion made that Management make inquiries into the possibility of creating "hot spots" using either AT&T or T-Mobile.

- Ocean Pool – Re-surfacing has now been completed. The Garden Pool was not serviced during shut-down, but this is being addressed. New beach-chairs have been purchased.
- Service Gate / Western Entrance – This is being re-located and new rollaway gates being installed. Additional LED lighting is being installed and parking for guests will be provided.
- Capital Improvements – Query raised whether there are any other capital improvements being considered for the property through 2018. In the hotel business, bedrooms and bathrooms are key. These are being considered as a priority. Improvements are based on funds available, and a big push is the \$875k duty-free concession granted to the Club. The goal is to move forward and keep improving the Club and Members' experience and continue the financial achievements.
- Shut-down – This could not be done in August until the 27th. This week, there are 5 Villas vacant.
- Member comment – They were very impressed with the activities at the Pool Bar. It was noted that the Pool Bar actually made a profit last month.
- Members are encouraged to send in any comments by email.

Adjournment:

Motion to adjourn the Meeting

- 1st – George McCormick;
- 2nd – Perry Swearingen;

Unanimous vote.

The 2016 Annual General Meeting of the Members of the Paradise Island Beach Club was adjourned at 4:55 p.m.