



PARADISE ISLAND BEACH CLUB

*Annual General Meeting
Thursday, November 7, 2019*

The meeting was held at the Paradise Island Beach Club ("PIBC"). Chairman of the PIBC Management Committee, James 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
- Mike Patoka – Founder Member / Appointed
- Robert Groff – Founder Member / Appointed
- David Rice – Member Representative / Elected
- Monica Berckes / Member Representative / Elected
- 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:

Name	# of Weeks Owned	Villa # for this stay
Nina & John Clark	7	14
Carol Patoka	2	21
Glenna Martens	2	3
Mary Barrows	3	6
Linda Bivens	3	12a
Kellene Bruce	2	8
Lynn Koprowski	2	10
Sally Rice	13	17
Steven & Theresa Lang	1	5
Ed & Barbara Sedillo	1	44
Mike Berckes	1	1
Wende Harrison	1	41
Judith Tonra	4	14
Adrienne McCoch	1	40

Name	# of Weeks Owned	Villa # for this stay
Carlito & Alice Morilla	1	37
Amy Morilla	1	43
Vicki Gilgor	2	7

Meeting Agenda and 2018 AGM Minutes:

Mr. Martens presented the agenda for the Meeting and the 2018 AGM Minutes and invited motions to accept.

Motion to accept the Meeting Agenda

- 1st – John Clark
- 2nd – Sally Rice

Unanimous vote.

Motion to accept the 2018 AGM Minutes as posted to the Club's website

- 1st – Glenna Rice
- 2nd – John Clark

Unanimous vote.

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

- The Club continues to offer quality vacations, thanks to the hard-working team of the Management Committee and our staff.
- During the last year Management took on a tenant for the Mini Mart – one that painted a pretty picture – he over-sold and under-delivered. Management had to look for solutions to this and commenced a search for the ideal tenant. Despite the loss to the Club (approximately \$80,000 last year), Management recognized the value of having a convenience store on property and the Committee sought to set things right as quickly as possible.
- Accounts receivable continues to be a challenge. Members are still not paying their dues as required. The Club has, in the past, used Meridien Financial Services as a collections agency, but they did not produce the expected results. Management has now entered into an arrangement with Cedar Financial Services and, during the past four months since they have had the Club's account, we are pleased with their performance and hope it continues. Members are encouraged to reach out to friends who may not have visited the Club in recent times to return.
- Management's focus is still on sales, but a lot of emphasis is being placed on rentals. There are some interesting programs that could greatly improve the rentals program, thanks to Monica and her marketing talents.
- Management is looking forward to 2020!

Financial Overview:

Mike Patoka presented the Financial position of the Club and noted the following:-

1. The Management Committee has prepared and approved the 2020 operating budget and are very pleased to announce that there will be no maintenance fee increase.
2. The 2018 Audit report is posted to the Club's Official Website.

3. Comparison of financials for January-September 2019 to the same period in 2018 shows the following:-
 - a) Default rental revenue is up 54%;
 - b) Default resale revenue is up 47%;
 - c) Pool Bar revenue is up 6% - not bad considering no revenues came in in the first 2 weeks of September due to the shut-down;
 - d) Expenses are down – but, as mentioned, that is due to the Mini Mart not being on the P&L;
 - e) Net after expenses through September has gone from negative to positive.
 - f) 2020 maintenance fee collections have increased to date as opposed to last year by \$147,000.
 - g) Equity has improved from the same period last year.
 - h) The news is good as we head into 2020.
4. There are several changes at the Mini Mart – losses in prior years have been in the \$80k range. Management of the Mini Mart has turned over twice this year.
5. A continued problem and concern has been the default weeks (228) and an additional 65 unpaid this year.
6. Despite the problems, we have decreased our losses in 2017 and 2018 and will be profitable this year!
7. The lack of those funds has resulted in a slow-down of projects (e.g: tiling project – only a few done this year).
8. To offset the vacant Units, we have put into effect a rental program. Members are invited to put the word out to friends and family about the program.
9. The current marketing program and website has been a big help (Thank-you to Monica).
10. The goal is to continue making our Vacation Experience the Best in The Bahamas.
11. Management would like to thank the Membership attending this year's AGM.
12. Recognition and gratitude is also expressed for the Management Committee spouses (Glenna, Mary, Carol, Sally & Mike – the Committee meets monthly and they get to hear all about the discussions!)
13. Final note – Thank you to our Club Employees ... the best there is!!!

Management Report:

Vote of thanks: Management thanks the Management Committee for all the efforts and continued support. Management would also like to acknowledge and thank the Club's entire staff – they have a true desire to serve and provide each Member with quality vacations. They are to be applauded.

We were extremely fortunate this year to not have any major hurricanes affecting New Providence/Paradise Island – unfortunately the people of Abaco and Grand Bahama Islands were not so lucky. We pause for a moment in memory of all the lost lives.

Dorian was a monster hurricane and many lives were impacted. We are happy to report that the Beach Club did its part in making just a few of those lives better. We assisted 85 persons for almost a month; most of the persons accommodated had special needs. Special thanks to the Membership and the Management Committee for this huge contribution.

The Club also assisted in accommodating some of the doctors from “Doctors-Without-Borders” who gave so much of their time, sometimes covering 72-hour shifts.

Shutdown period this year allowed us to refurbish the Ocean Pool. Last year, because of the 4.5% surprised VAT increase, we were cautious with spending and did not service this Pool. This turned out to be a costly lesson and we learned that we will always give the pools service and attention each year going forward.

Shutdown was impacted by Hurricane Dorian. We had winds up to 75-80 MPH, sand blasts and rain for the first 5 days. Because of the rain, we could not be as productive as we would have liked. To cut costs at Shutdown, we had the entire exterior of the buildings painted in August, only to have to re-paint them after the Hurricane. Going forward, we have taken a decision not to paint the exterior of the buildings until after hurricane season. Also, because of the high occupancy at the Club this year, our in-house painting team were not able to access the interiors of those Villas which required painting during May, June and the last week of August.

The reason for the high occupancy levels was primarily due to efforts to combat the challenge of only being able to market Saturday-to-Saturday stays. Because today’s market trend is that the average vacation to The Bahamas is 4.6 nights with a Thursday-to-Tuesday stay, we took a decision to block out groups of villas in our slow period of May and June, and 14 villas were blocked out for 7 weeks. This allowed guests to check in and out at any time (and we were able to charge higher rates for the Thursday-to-Tuesday stays). Because of Hurricane Dorian, we were unable to experience the same success in the fall using this program.

Next year will mark the beginning of a new decade and we look forward to what we hope it will bring. This morning, we received confirmation that HGTV selected your Beach Club as one out of three places to showcase. They have 16 Million viewers and we will benefit from this. We are also fortunate to have Monica Berckes on the Committee. We thank Monica for her service and support and the great ideas and plans she will continue to bring not only to benefit our rentals program, but also our Members. Members are encouraged to look out for the Club’s newsletters and Facebook updates.

The following points are to be noted:-

MiniMart/Pool Bar: The MiniMart has presented a challenge this year, as Jim explained in the Chairman’s Report. The lease-out was not very successful. We have found a new tenant, who has been satisfactorily vetted and we believe that based on his track record with years of being in the business and his commitment to service, he will provide us with quality service.

The Pool Bar is holding its own; there is a new menu which includes some wonderful new and exciting dishes, thanks to our talented Chef Sherell.

Wi-Fi: In recent months Members would have experienced that the wi-fi was less than satisfactory. The Club used “Openmesh” as a provider for equipment/systems and this business was recently purchased by Datto Networking who did an upgrade to the software which, unfortunately was not compatible with our equipment/access points. We are looking to purchase the new hardware which is compatible to their new software. The Company claims it is a better product (cloud-based Traxx software) and will allow them to be able to troubleshoot and maintain the software online, reducing disruption in service. The subscription service is being offered for just under \$500 per month – this will reduce IT costs considerably. We were successful in our negotiations not to have to pay for the new hardware and the hardware has arrived on Island today. The technicians are on property making the installations. Members can look forward to improved and better wi-fi service.

Energy Power Cuts: The entire Island of New Providence for the past 18 months have been subject to blackouts for extended periods. Because the Club is fortunate to have full standby power, guests were not inconvenienced and did not have to suffer through the blackouts. The decision by your Committee back in 2016 to make the investment in the standby generator was certainly the right one.

The issue of power cuts, caused by a fire at the main power station, is supposed to be solved by mid-December this year. The new powerplants are energy efficient and should be able to produce energy at much lower costs – whether the savings are passed on to the consumer is yet to be determined.

We continue to have a wonderful team at the Club who are excited to take care of the Members. We again take this opportunity to give recognition to a few of them who have gone above and beyond in their duties, contributing greatly to the Club’s success and the comfort of its Members. These are:

- ★ Nathalie Thurston – Front Desk
- ★ Dorcine Pierrecious – Maintenance
- ★ Francina Saunders – Pool Bar
- ★ Devaughn Rolle – Housekeeping
- ★ Fredrika Ferguson – Housekeeping

Tony expressed thanks to all for the opportunity afforded by being the Club’s General Manager.

Elections:

Two candidates participated in the elections process for the position of Committee Member. There were a total of 420 votes received (16 paper ballots and 404 online votes). Management congratulated David Rice on his election, and thanked the other candidate, Gordon Roark for offering himself for the elections.

Following are the nominees and voting results:-

<i>Nominee</i>	<i>Online / Manual</i>	<i>Total</i>
David Rice	349 / 11	360
Gordon Roark	55 / 5	60

Unfinished Business from 2018: Tony reported that the only unfinished business from 2018 was the tiling project. Management has been seeking to keep costs down. 4 bathrooms were tiled in addition to the other units. Showers in the master bathrooms were tiled also.

New Business:

Questions/comments and answers included the following:

- Members thanked the Management and Board for the continued efforts and expressed satisfaction with the shower tiling project and efforts for better wi-fi service.
- Alice M. inquired what would likely happen if a hurricane does hit the Island and there is major damage? Tony responded that in 2010 the Club obtained alternative accommodation insurance which would allow Members to be relocated to other premises and facilitate complete restoration. There is comprehensive insurance in place which will protect against disruption of service. He noted that the buildings are made of concrete and the Club staff are able to take precautionary measures (including boarding up windows, etc.). With the new seawall and generator service, any disruption should be minimal.
- Lynn K. asked why the Club did not take advantage of the sun for solar. Tony responded that solar is very expensive and the roofing system is efficient. He noted that Management has taken the initiative to be as energy efficient as possible in order to reduce our carbon footprint by 50% - for example, Management has gotten rid of hot water tanks and moved to tankless water heaters. He noted that the IDB made an assessment and suggestions on how to decrease the carbon footprint and the Club became a model for other hotels.
- Lynn K. noted that they had emailed a grocery list prior to their arrival at the Club but that the items were not in the Villa on their arrival. She inquired whether Members would be able to communicate directly with the MiniMart for such things (the MiniMart manager claimed the list was not received). Tony reported that the Club is in the process of negotiating a contract with a tenant and that improved service is forthcoming.
- Lynn K. inquired why the front pool is full of sand and Tony responded that the pool needs a new filter and Management was trying to avoid disruption of service.
- Alice M. asked what happens after 2032 (when all memberships expire) and whether there will still be owners? Tony confirmed that the land on which the Villas are built would revert to the Developer and all leases will expire. He confirmed further that by the Club's constitution, the Developer has to purchase the buildings.
- Lynn K. asked what rental fees were. Tony responded that they varied depending on the time of the rentals. For Thursday to Tuesdays, the average rental is \$300 per night. The rental opportunities are seasonal and Members are considered for deals on costs.
- Ed S. asked whether the Club by-laws could be changed to make the stays Thursday to Tuesday, and Tony stated that an amendment to the by-laws would require 75% of the Membership to vote for this change. He said that if weeks are available, it would be possible to rent the units for 1 or 2 nights over the next 5 years.
- The Chairman noted that the Club has a constitution which can only be changed by Members. The Rules & Regulations, however, can be changed by the Committee.
- Tony also noted that the Club is looking at the possibility of Air B&B rentals. Sally R. noted that compared to other properties, even though there is the same sun, same ocean, same beach, the Club gives a completely different experience.

- Joyce commented that she pre-ordered a cab but it was not at the airport to pick her up. Other Members noted that they have not had that experience.
- Members are again encouraged to send in any comments by email.

Adjournment:

Motion to adjourn the Meeting

- 1st – John Clark
- 2nd – Mary Barrows

Unanimous vote.

The 2019 Annual General Meeting of the Members of the Paradise Island Beach Club was adjourned at 4:57 p.m.