

## COWICHAN LAKE RECREATION COMMUNITY

Virtual Board Meeting  
Wednesday, September 21, 2022

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Attending: **Rick Jeffery** (Chair), **Kim Chadwick**, **Elaine Dagg-Jackson**, **Lloyd Ferguson**, **Sue Fox**,  
**Michele Gibbs** (minutes)

Regrets: **George Hillier**

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### MINUTES / DECISION ACTION RECORD

The originally scheduled October 1 meeting was advanced in order for timely consideration of legal documents required to approve the transfer of the share designated for Site 1A and to consider legal documents related to the sales of shares designated for Sites 4A and 4B.

#### 1) **Legal Documents**

Rick provided an overview of the documents received today from John McLeod, Reed Pope (see Google Drive)

- E-mail Cover Note to Rick, Lloyd & Michele (forwarded to all Directors)
- Memo to CLRC Directors re: Disclosure Statement
- Disclosure Statement (DS) + Exhibits, including:
  - updated Member's Agreement
  - Updated Rules & Regulations (share re-sale process and CLRC Solicitor only)
- Draft Resolutions
- DS Questionnaire for Directors

Rick outlined the process to-date for updating the Disclosure Statement and Members' Agreement. Directors were given the option to defer voting to allow further time for review, however Directors were satisfied with the work of Rick, Lloyd and Michele and were prepared to vote.

**ACTION:** Share prior versions of Member's Agreement with Directors.

Rick reviewed the Draft Resolutions provided by Reed Pope.

#### **A. Transfers of CLRC Share designated for Site 1A**

The next order of business relates to the transfer of the CLRC share designated for Site 1A (the "**Share**"). Ross Casey and Julia Spandli have contracted to sell their share to Matt and Alecia Rutherford. The sale is due to complete on September 29, 2022. We're passing the resolutions in advance of closing as we are aware of several directors who are away and may have limited access to their email. Reed Pope will hold resolutions for release on closing.

For closing of the sale, the purchasers will execute a Member's Agreement. The Member's Agreement was updated during the course of preparing the Disclosure Statement for sales of Lots 4A and 4B by CLRC. Updates to the Member's Agreement include:

- (a) refined wording describing a shareholder's obligation to repair and maintain their site (2(d));
- (b) a covenant from the shareholder to carry general liability insurance with coverage of at least \$2 million and designating CLRC as an additional insured (2(g));
- (c) an indemnity from the shareholder in favour of CLRC (4);
- (d) a waiver of liability in favour of CLRC - for personal injury (including death) and damage to property suffered by the shareholder or any family member, guest or tenant of the shareholder (5);
- (e) the shareholder's consent to the collection and use of their personal information (9),
- (f) a force majeure clause (10), and
- (g) a stipulation that obligations of joint holders of shares (i.e. spouses) are joint and several (11).

**MOTION:** Approve the following resolutions related to the sale of Site 1A (Motioned by Lloyd Ferguson / Seconded by Kim Chadwick) (6 Approve / 0 Reject / 0 Abstain) – **MOTION APPROVED**

1. Effective upon closing of the sale of the Share, the transfer of the Share from Ross Casey and Julia Spandli (the "Seller") to Matthew and Alecia Rutherford (the "Purchaser") be and is hereby authorized and approved.
2. Share Certificate **#A-138** in the name of the Seller be cancelled and Share Certificate **#A-144** in the name of the Purchaser be issued, all effective the 29<sup>th</sup> day of September, 2022, the form of share certificate accompanying these resolutions be and is hereby approved (the "Certificate") and any one Director of the Company be and is hereby authorized to execute the Certificate.
3. The Company enter into a Member's Agreement with the Purchaser to specify certain rights and obligations arising out of the Purchaser's ownership of the Share, including the Purchaser's right to occupy and use Site 1A at Cowichan Lake Recreational Community, (the "Agreement") and the form of the Agreement provided to the Directors be and is hereby approved.
4. Any one Director of the Company be and is hereby authorized to execute, for and on behalf of the Company and under the seal of the Company or otherwise, the Agreement and all such other documents, instruments and writings related to or considered necessary to implement the share transfer authorized by these resolutions, in all cases with such alterations and amendments as such director, in his or her discretion, may approve or consider necessary for the purpose of giving effect to these resolutions and such execution shall be conclusive evidence of such approval.
5. The central securities register of the Company be updated in respect of the share transfer authorized by these resolutions.

## **B. Marketing and Sale of Shares designated for Sites 4A and 4B**

The next order of business relates to the pending sales of Class A shares of CLRC designated for Sites 4A and 4B (the “Sites”), each of which is owned by CLRC. Following legal advice from Reed Pope Law Corporation, CLRC will sell these Sites, and any future sites owned by CLRC, under a Disclosure Statement prepared and filed under British Columbia’s Real Estate Development Marketing Act (“REDMA”).

Under REDMA, CLRC is a Cooperative Association and a Class A share of CLRC, combined with a Member’s Agreement, entitle the holder of the Class A share to exclusive use of the site at Cowichan Lake Recreational Community (the “Park”) assigned to that share. The terms and conditions governing ownership of Class A shares and use and occupancy of sites are set out in the Articles of CLRC, the Member’s Agreement and the Rules and Regulations of CLRC. Under REDMA, a newly issued Class A share combined with a Member’s Agreement in respect of a site owned by CLRC constitutes a “cooperative interest” in the Park. The sale of two or more Cooperative Interests requires that the “developer”, in this case CLRC, file and deliver a Disclosure Statement.

Rick Jeffery, Lloyd Ferguson and Michele Gibbs have been working with Reed Pope to settle CLRC’s Disclosure Statement. A copy of the final draft of the Disclosure Statement was circulated in advance of the meeting (the “Disclosure Statement”). Rick commented on the process that led to the preparation of the Disclosure Statement.

The Exhibits attached to the Disclosure Statement include:

- (a) an updated Member’s Agreement, which designates the Site associated with the purchaser’s Class A share and prescribes certain rights and obligations with respect to use and occupancy of the Site (Exhibit C);
- (b) updated Rules and Regulations for use of the Park (Exhibit E); and
- (c) a Share Purchase Agreement whereby a purchaser subscribes for one Class A share of CLRC (Exhibit I).

**MOTION:** Approve the following resolutions related to Sites 4A and 4B (Motioned by Lloyd Ferguson / Seconded by Kim Chadwick) (6 Approve / 0 Reject / 0 Abstain) – **MOTION APPROVED**

1. The Disclosure Statement, including the Exhibits attached thereto, in the form provided to the Directors and with all changes discussed at the meeting and approved by any two Directors, be and is hereby approved and each Director is authorized and directed to execute the signature page to the Disclosure Statement on their own account, and any one Director is authorized and directed to execute the signature page on behalf the Company.
2. The Company enter into a Share Purchase Agreement and Member’s Agreement with each purchaser of a Class A share of CLRC under the Disclosure Statement.

3. Any one Director of the Company be and is hereby authorized to execute, for and on behalf of the Company and under the seal of the Company or otherwise, a Member's Agreement, a Share Purchase Agreement and all such other documents, instruments and writings related to or considered necessary to implement each Class A share sale made under the Disclosure Statement, in all cases with such alterations and amendments thereto as such director, in his or her discretion, may approve as necessary for the purpose of giving effect to these resolutions and such execution shall be conclusive evidence of such approval.

Further resolutions will be circulated to the Board for signature in advance of each sale of a Class A share under the Disclosure Statement.

2) **Insurance:**

Directors discussed Directors & Officers Liability insurance coverage (D&O), currently at \$1M with a premium of \$850. Increasing coverage to \$2M is ~\$1300. Consideration will also be given to a motion (at AGM) to increase minimum insurance requirements for SH.

**MOTION:** Approve an increase in D&O Liability coverage to \$2M (Motioned by Elaine Dagg Jackson / Seconded by Susan Fox)(6/0/0) – **MOTION APPROVED**

3) **Project Communications:**

It will be important to ensure communication about the WWTP project in the coming weeks. Given that most Directors are no longer at the Park (for the winter), Jim (Caretaker) and Justin (MSR) are the key contacts for current information.

**ACTION:** Elaine will coordinate weekly updates for Sept/Oct.

4) **Next Meeting:**

**ACTION:** Michele to schedule another Directors' Meeting in late October (AGM prep).



Michele Gibbs, Secretary