

STRATA PLAN NW 2040
NOTICE OF ANNUAL GENERAL MEETING
Notice Date: Thursday, October 12th, 2006

**To all Strata Owners, Proxy-Holders, or Persons Otherwise
Entitled to Attend General Meetings of Strata Plan NW 2040**

Please be advised that an Annual General Meeting of Strata Plan NW 2040 is hereby called. The meeting will be held as follows:

Date/Time: Thursday, October 26, 2006 at 7:00 p.m.
Registration will begin at 6:45 p.m.
Location: Forest Grove Elementary School, Library Room
8525 Forest Grove Drive
Burnaby, British Columbia

The purpose of the meeting is to review the past year's business, approve an annual budget for the 2006/2007 fiscal year, discuss new business, vote upon any resolutions as per the attached agenda, and elect a new Strata Council.

We encourage everyone to attend this meeting. If you are unable to be present, please consider supporting the affairs of the Strata by proxy. If you wish, you may provide your proxy to the Strata Council – contact Susan Hearsey, 9299, Braemoor Place.

NOTES

- a) **NOTIFICATION:** Fourteen (14) days notice of every general meeting, specifying the date, hour, place and purpose of the meeting, shall be given to all owners, proxy-holders and persons otherwise entitled to attend general meetings of Strata Plan NW 2040 (and first mortgagees who have notified the Strata Corporation of their interest).
- b) **QUORUM:** One third (1/3) of all persons entitled to vote at any general meeting must be present in person or by proxy to constitute a quorum. Strata Plan NW 2040's quorum is twelve (12) eligible voters.
- c) **PROXY FORMS:** Should an owner wish to issue a proxy, the form must be signed by the registered owner(s), or his/her appointed attorney, and be delivered to the Strata Corporation at the Annual General Meeting. A proxy-holder is not required to be an owner.
- d) **VOTING MAJORITIES:** Once a quorum is established, the meeting may deal with any resolutions, including special resolutions where proper notice has been given. Passage of a resolution requires simple majority support of the voters present. Passage of a special resolution requires 75% support of the voters present.

- e) **VOTING ELIGIBILITY:** Each strata lot has one vote. An owner or proxy-holder is entitled to vote at any general meeting **provided all** contributions payable for the respective Strata Lot have been paid, including any fines. An owner's account may be brought up to date at the meeting by providing payment in full, in form of cash, bank draft, or money order. Please note that at such meeting the Strata Corporation cannot accept cheques, certified or otherwise.

MONTHLY ASSESSMENTS

Please note that all owners will be required to provide cheques to the Strata Corporation for their 2006/2007 monthly assessments. The amount of each cheque will be confirmed once the new annual budget is approved at the AGM. The proposed amount is shown in the attached proposed budget.

Please deliver your cheques to the Council at the AGM. Thank you.

Cheques are to be made payable to Strata Plan NW 2040. See details below.

ATTACHMENTS TO THIS NOTICE

2006 AGM Agenda
Proposed 2006/2007 Budget
2005/2006 Financial Statements
Minutes of the 2005 Annual General Meeting
Proxy Form
Ballot Form

The Strata Council
STRATA PLAN NW 2040

**STRATA PLAN NW 2040
AGENDA
2006 ANNUAL GENERAL MEETING
October 26, 2006**

1. Registration of voters (including validation of proxies) and issuance of voting cards.
2. Meeting called to order.
3. Display of proof of notice of the 2006 Annual General Meeting ("AGM"). Motion to approve the notice of the AGM. (See attached copy.)
4. Determination if quorum present.
5. Introduction of the existing Council members and officers:
President – On leave - Meera Nair
Vice President – Chair – Susan Hearsey
Treasurer – Peggy Wong
Secretary – Lauren Checkley/Mike Rotzien
Maintenance Coordinator – Brent Chadwick
Landscape Coordinator s – Andrew Boden, Doug Kronlund
The council would also like to acknowledge the volunteer effort of Joe Martinig who has assisted the Strata Council in the maintenance of the MountainGate.
6. Opening remarks by Strata Vice - President.
7. Motion to approve and adopt the Minutes of the Annual General Meeting of November 16, 2005.
8. Report by the Maintenance Coordinators regarding maintenance issues, past and future.
9. Report by the Landscape Coordinators regarding landscape improvements, past and future.
10. Report by the Treasurer on the past year's operations and finances.
11. Motion to approve and adopt the 2005/2006 Financial Statements, as prepared by Marsh & Marsh, Chartered Accountants.
12. Motion to retain Marsh & Marsh, Chartered Accountants, for the purpose of maintaining and reviewing the Strata Corporation's financial records for the 2006/2007 fiscal year.
13. Motion to approve the proposed 2006/2007 budget. See comments below.
14. Discussion and disposition of any new business/additions to the Agenda.
15. Nominations and election of the 2006/2007 Strata Council. See comments below.

16. Adjournment.

Comments, Item 13 – 2006/2007 Budget

To execute the proposed budget, and embark upon the expected repairs and preventative maintenance, fees will remain at current levels. These are:

inside units – \$168.48

outside units - \$170.64

Please provide the Strata Council with 12 post-dated cheques (payable to Strata Plan NW 2040) for the first of each month, beginning with November 2006 and ending with October 2007.

Comments, Item 17 – Strata Council for 2006/2007

As per the Strata Property Act, all members of the Strata Council resign at the AGM, and an election is held to form the Council for the next year. Our bylaws require a minimum of three (3) and a maximum of seven (7) members on a Council.

The following owners have expressed their willingness to join or continue on the Strata Council.

President – Meera Nair

Vice President –

Treasurer –

Secretary – Peggy Wong

Maintenance Coordinator – Brent Chadwick

Landscape Coordinator – Andrew Boden/Doug Kronlund

If anyone else would like to serve on Council, please contact Susan Hearsey at
MGStrata@shaw.ca

Strata Plan NW2040**Proposed Budget****September 1st 2006 - August 31st 2007**

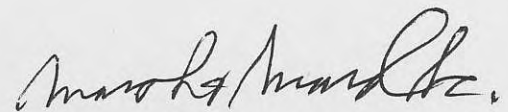
	05/06 Budget	05/06 Actuals	06/07 Budget
Income			
Assessments*	\$ 73,250.70	\$ 73,250.00	\$ 73,250.00
Interest	\$ 2,200.00	\$ 1,146.00	\$ 1,146.00
Miscellaneous	0	\$ 255.00	
Contingency		\$ 38,786.00	
Total Income	\$75,450.70	\$ 113,437.00	\$ 74,396.00
Expenditures			
Accounting & Legal	\$ 1,934.00	\$ 1,813.00	\$1,850.00
Administration	\$ 400.00	\$ 733.00	\$750.00
Bank Charges	\$ 50.00	\$ 98.00	\$100.00
Electricity	\$ 750.00	\$ 466.00	\$500.00
Insurance	\$12,000.00	\$ 11,795.00	\$12,000
Landscaping	\$14,225.20	\$ 12,257.00	\$12,700.00
Grounds	\$ 4,000.00	\$ 91.00	\$4,000.00
Building	\$26,265.70	\$ 11,571.00	\$27,965.27
Last installment for painting project		\$ 38,786.00	
Total Expenditures	\$ 59,624.90	\$ 77,610.00	\$59,865.27
Excess of income over expenditures	\$ 15,825.80	\$ 35,827.00	\$14,530.73
Building costs occurring after fiscal year end			
Interfund tranfers			
Painting Reserve	\$ 11,825.80	\$ 11,826.00	\$10,530.73
Roofing Reserve	\$ 4,000.00	\$ 4,000.00	\$4,000.00
General Reserve		\$ 3,972.00	
-includes maintenance work underway			
Contingency reserve fund			
Opening balance Sept. 1, 2005		\$ 92,665.00	
Contribution for 2005/2006 as shown above		\$ 19,798.00	
Expenditures from the fund (painting)		\$ 38,786.00	
Closing balance August 31, 2006.		\$ 73,677.00	
Operating fund			
Opening balance Sept. 1, 2005		\$ 3,972.00	
Contribution for 2005/2006 as shown above		\$ 16,029.00	
Expenditures from the fund (painting)			
Closing balance August 31, 2006.		\$ 20,001.00	
Proposed budget based on existing maintenance fees of:			
Inside units \$168.48			
Outside units \$170.64			

STRATA PLAN N.W. 2040
FINANCIAL STATEMENTS
AUGUST 31, 2006
(Unaudited - See Notice to Reader)

NOTICE TO READER

We have compiled the statement of financial position of Strata Plan N.W. 2040 as at August 31, 2006 and the statements of operations and changes in fund balances for the year then ended from information provided by management. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.

Burnaby, B.C.
September 28, 2006



Chartered Accountants

STRATA PLAN N.W. 2040
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2006
(Unaudited - See Notice to Reader)

	Operating Fund	Contingency Reserve Fund	Total 2006	Total 2005
Current Assets				
Cash	\$ 18,590	\$ 38,862	\$ 57,452	\$ 17,755
Term deposit	-	34,815	34,815	72,414
Due from interfund	-	-	-	-
Accounts receivable	543	-	543	584
Prepaid expenses	974	-	974	5,991
	<u>\$ 20,107</u>	<u>\$ 73,677</u>	<u>\$ 93,784</u>	<u>\$ 96,744</u>
Current Liabilities				
Accounts payable and accrued liabilities	\$ 106	\$ -	\$ 106	\$ 107
	<u>106</u>	<u>-</u>	<u>106</u>	<u>107</u>
Fund Balances				
Unrestricted	20,001	-	20,001	3,972
Internally restricted - (Note 3)	-	73,677	73,677	92,665
	<u>20,001</u>	<u>73,677</u>	<u>93,678</u>	<u>96,637</u>
	<u>\$ 20,107</u>	<u>\$ 73,677</u>	<u>\$ 93,784</u>	<u>\$ 96,744</u>

Approved by the Directors

Susan L. Skarsen Director
Phong Director

STRATA PLAN N.W. 2040
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED AUGUST 31, 2006
(Unaudited - See Notice to Reader)

	Operating Fund 2006	Operating Fund 2005	Contingency Reserve Fund	Total 2006	Total 2005
Income					
Assessments	\$ 73,250	\$ 68,958	\$ -	\$ 73,250	\$ 68,958
Interest	1,146	2,301	-	1,146	2,301
Miscellaneous	255	140	-	255	140
	<u>74,651</u>	<u>71,399</u>	<u>-</u>	<u>74,651</u>	<u>71,399</u>
Expenditures					
Accounting and legal	1,813	1,787	-	1,813	1,787
Administration	733	1,420	-	733	1,420
Bank charges	98	-	-	98	-
Electricity	466	452	-	466	452
Grounds improvement	91	661	-	91	661
Insurance	11,795	11,671	-	11,795	11,671
Landscape maintenance	12,257	13,916	-	12,257	13,916
Maintenance	11,571	20,512	38,786	50,357	66,442
	<u>38,824</u>	<u>50,419</u>	<u>38,786</u>	<u>77,610</u>	<u>96,349</u>
Excess of income over expenditures from operations	<u>35,827</u>	<u>20,980</u>	<u>(38,786)</u>	<u>(2,959)</u>	<u>(24,950)</u>
Interfund transfers and other					
Contingency reserve provision	(15,826)	(17,008)	15,826	-	-
Transfer from operating fund	(3,972)	3,513	3,972	-	-
	<u>(19,798)</u>	<u>(13,495)</u>	<u>19,798</u>	<u>-</u>	<u>-</u>
	16,029	7,485	(18,988)	(2,959)	(24,950)
Fund balances, beginning of year	<u>3,972</u>	<u>(3,513)</u>	<u>92,665</u>	<u>96,637</u>	<u>121,587</u>
Fund balances, end of year	<u>\$ 20,001</u>	<u>\$ 3,972</u>	<u>\$ 73,677</u>	<u>\$ 93,678</u>	<u>\$ 96,637</u>

STRATA PLAN N.W. 2040
STATEMENT OF CHANGES IN CONTINGENCY RESERVE FUND
FOR THE YEAR ENDED AUGUST 31, 2006
(Unaudited - See Notice to Reader)

	General 2006	Painting 2006	Roofing 2006	Total 2006
Balance, beginning of year	\$ 24,186	\$ 41,479	\$ 27,000	\$ 92,665
Add: Transfer to operating fund	-	11,826	4,000	15,826
Transfer from expense	<u>3,972</u>	<u>-</u>	<u>-</u>	<u>3,972</u>
	28,158	53,305	31,000	112,463
Deduct: Special repairs expense	<u>-</u>	<u>38,786</u>	<u>-</u>	<u>38,786</u>
Balance, end of year	<u><u>\$ 28,158</u></u>	<u><u>\$ 14,519</u></u>	<u><u>\$ 31,000</u></u>	<u><u>\$ 73,677</u></u>

	General 2005	Painting 2005	Roofing 2005	Total 2005
Balance, beginning of year	\$ 27,699	\$ 74,401	\$ 23,000	\$ 125,100
Add: Transfer from operating fund	(3,513)	-	-	(3,513)
Transfer from expense	<u>-</u>	<u>13,008</u>	<u>4,000</u>	<u>17,008</u>
	24,186	87,409	27,000	138,595
Deduct: Special repairs expense	<u>-</u>	<u>45,930</u>	<u>-</u>	<u>45,930</u>
Balance, end of year	<u><u>\$ 24,186</u></u>	<u><u>\$ 41,479</u></u>	<u><u>\$ 27,000</u></u>	<u><u>\$ 92,665</u></u>

STRATA PLAN N.W. 2040
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2006
(Unaudited - See Notice to Reader)

Note 1 Nature and Purpose of Organization

The purpose of the Strata is the maintenance of a thirty-six unit strata townhome complex.

Note 2 Significant Accounting Policies

The financial statements are not necessarily in accordance with Canadian generally accepted accounting principles. Outlined below are those policies the Strata considered particularly significant.

Fund Accounting

The Strata follows the restricted fund method of accounting.

The Operating Fund reports the assets, liabilities, income and expenditures related to the Strata's operating activities.

The Contingency Reserve Fund reports the assets, liabilities, income and expenditures related to the Strata's extraordinary repairs activities.

Revenue Recognition

Assessments

Assessments are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.

Investment Income

Interest income earned on funds is recognized as revenue in the period the investment income is earned.

Income Taxes

The Strata is exempt from income taxes under the provisions of the Income Tax Act as a not-for-profit organization.

Note 3 Internally Restricted Net Assets

Major categories of internally imposed restrictions on net assets are as follows:

	<u>2006</u>	<u>2005</u>
Restricted for extraordinary repairs	\$ 73,677	\$ 92,665

STRATA PLAN NW 2040
UNAPPROVED Minutes of the 2005 Annual General Meeting
Held At Forest Grove Elementary School
8525 Forest Grove Drive
Burnaby, British Columbia
On November 16, 2005

1. Registration commenced at 6:30 p.m. with the sign-in of owners and proxyholders, the validation of proxies, and the issuance of voting cards.
2. The meeting was called to order at 6:50 p.m.
3. Proof of notice of the 2005 Annual General Meeting (AGM) was displayed and a motion called for to approve the notice of the AGM. It was moved and seconded, and unanimously resolved that proper notice was given for the AGM.
4. Results of the registration. Of the thirty-six (36) strata lots, nineteen (19) were represented in person and four (4) were represented by proxy for a total of twenty-three (23). A quorum was established.
5. The 2004/2005 Strata Council members and officers were introduced:
Treasurer – Ann Mennie
Secretary – Mike Rotzien / Lauren Checkley
Maintenance Coordinator – Brent Chadwick
Landscape Coordinator – Stuart Hall
President – Meera Nair
Member at Large- Peggy Wong
6. The president informed the owners of the status of the dispute with Bramwell Bros. Briefly, after waiving all rights to future payment from Strata NW2040, Bramwell Bros. misused the Builder's Liens Act of B.C. to apply liens to four properties within Strata NW2040 in an attempt to obstruct pending sales. The Council refused to bow to such 'blackmail' tactics and instead chose to work with incoming buyers to assure them of the viability of MountainGate properties. To that end, the disputed amount was placed in trust. Sales proceeded at MountainGate without further difficulties. The council agreed to meet with John Bramwell at a settlement conference scheduled for the end of November.

Note (February 2006): The settlement conference went successfully; the facilitating judge effectively conveyed to John Bramwell that his actions were not lawful and that he was risking substantial financial loss if this matter should proceed to a courtroom. Strata NW2040 agreed not to press legal action against him, provided he never take such steps again. Furthermore, he was required to remove the liens. With the removal of the liens, the trust-funds have since been returned to Strata NW2040, and this dispute has been laid to rest.
7. The minutes of the Annual General Meeting of October 21, 2004, were put forward for approval. It was moved and seconded, and unanimously resolved to approve the Annual General Meeting of October 21, 2004.
8. The 2004/2005 Financial Statements (as prepared by Marsh and March, Chartered

Accountants) were put forward for approval. It was moved and seconded, and unanimously resolved that the financial statements be approved.

9. The 2005/2006 budget was put forward for approval. It was moved and seconded, and unanimously resolved that the budget be approved.
10. A motion was presented to retain Marsh & Marsh, Chartered Accountants, for the purpose of maintaining and reviewing the Strata Corporation's financial records for the 2005-2006 fiscal year. It was moved and seconded, and unanimously resolved to retain Marsh & Marsh, Chartered Accountants.
11. The Landscape Coordinator was not present however, a summary was submitted in his absence. Piper Landscaping went well this year. Their contract was renewed with a minor increase. Next year, the new Landscape Coordinator should consider further enhancements to the entrances and consider a creek wall renewal. The current Landscape Coordinator (Stuart Hall) has resigned and strata council is actively seeking a replacement. Strata would like to thank Stuart and Diane for their generous contributions to the neighbourhood.
12. The Maintenance Coordinator presented a summary of the year's building activities. Overall the painting project went well, there were (as to be expected with a project of this size) some minor difficulties, but on the whole Atlas Painting was responsive to our needs and a good company to work with. For the next year, Council has identified some potential areas that need attention:
 - replacement of back patio lights
 - removal of trees to prevent damage to drain tiles and gutters
 - replace gutter covers after gutter cleaning in November
 - investigate re-sealing windows as opposed to replacing them.

13. New business:

a) Door Bylaw:

Concern was brought up by an owner regarding clarification of Strata's responsibilities for door repair/replacement. It was agreed that Strata would decide on a standard door for the Patio.

b) Meeting Minutes:

A concern was raised earlier in the year over the release of AGM minutes. A motion was presented that Strata can release unapproved AGM minutes on an owners request. The motion was moved and seconded. 1 owner was opposed. All other owners agreed. Motion carried.

A request was made for more detailed minutes. Strata has agreed to try to include more detail without including names and addresses.

c) Block Watch Program:

Lauren has looked into the Program and has recommended that at 3 more people volunteer to join the Block Watch Committee. A couple of owners expressed interest in volunteer and exploring further details of the program. Unless more volunteers come forward, the Block Watch program cannot begin. One owner also volunteered to explore the question of lighting as a

deterrent to vandalism / theft.

d) Children playing:

An owner expressed concern over children's behaviour in the neighbourhood. Strata has discussed the concern and has agreed that this is not a Strata issue and should be dealt with between the parties involved.

e) Parking:

All "visitor" parking signs have been painted over and should be replaced by "reserved" signs in the near future. All parking is still available to Mountain Gate residents as per bylaws. There is no visitor parking inside the complex.

f) The owners offered thanks to the council members for their extensive volunteer work throughout the year. Council conveyed their gratitude for the "dinner out" courtesy of the Strata.

14. Nominations and election of the 2004-2005 Strata Council.

The new Strata council includes:

President- Meera Nair

Vice President- Susan Hearsay

Treasurer- Peggy Wong

Secretary- Mike Rotzien / Lauren Rotzien

Landscape Coordinator – position available

Maintenance Coordinator- Brent Chadwick

A motion was put forward to accept the new Strata council as listed above. The motion was moved and seconded, and unanimously approved to accept the new Strata Council.

17. The meeting was adjourned at 8:50 pm.

Strata Property Act
Form A
PROXY APPOINTMENT

STRATA PLAN NW 2040
Mountain Gate

Re: Strata Lot *[as shown on strata plan]* of Strata Plan NW 2040, Mountain Gate.

[Check only one]

1. _____ General proxy

I/We, _____, owner(s), of the strata lot
described above, appoint _____, to act as my/our proxy
beginning _____ until _____ *[month, day, year]*.

2. _____ Proxy for a specific meeting

I/We, _____, owner(s), of the strata lot
described above, appoint _____, to act as my/our proxy
at the annual or special general meeting to be held on **November 16, 2005**.

3. _____ Proxy for a specific resolution

I/We, _____, owner(s), of the strata lot
described above, appoint _____, to act as my/our proxy
with respect to the following resolution at the annual or special general meeting to be held on
October 26, 2006.

Wording of the resolution _____

Voting Instructions _____

Limitations on proxy, if any _____

Date: _____

Signature of Owner

Signature of Owner

STRATA NW2040
MOUNTAIN GATE

OFFICIAL BALLOT

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____