

Signant Two Holdings Ltd.
Agenda: Annual General Meeting
November 9, 2024 via Google meeting
7:00 – 10:00 MST

Video call link: <https://meet.google.com/izc-fhvu-oka>
Or dial: (CA) +1 289-949-5853 PIN: 189 898 855#
More phone numbers: <https://tel.meet/izc-fhvu-oka?pin=4131770682240>

Attendees: Vic, Sharyn, Jim, Sheila, Ron, Cody, Dane, Joel, Stephen

1. Meeting called to order

Meeting called to order at 7:19 PM.

Proxies in effect, when needed, until further notice:

For Carson: Cody, or in his absence, Melanie (Nov 12, 2015)
For Brenna: Cody, or in his absence, Melanie (Nov 03, 2015)
For Cody: Melanie, or in her absence, Carson (April 15, 2021)
For Sheila: Joel, or in his absence, Stephen (June 09, 2022)
For Duane: Vic (sent by email June 24, 2023)

Motion to approve the agenda

Moved by Sharyn. Seconded by Sheila. All in favour.

Length of Meeting – 2 hours (until 9:00 pm); Identify timekeeper.

End of meeting will be 9PM. Stephen will be timekeeper.

Role of younger generation(s) and spouses present at this meeting. Your ideas and perspectives add a significant point of view to our discussions and are greatly appreciated; reminder that the presentation of motions, seconding of motions, and voting on motions is limited to Shareholders.

2. Approval of Minutes from 2023 AGM

[Signant Two 2023 AGM Minutes Final \(November 28, 2023\).docx](#)

Moved by Sharyn. Seconded by Cody. All in favour.

3. Review of Finances

A. Property Assessment Notices (FYI)

[2024 Property Assessment Notice - cabin.pdf](#)
[2024 Property Assessment Notice - dock.pdf](#)

B. Review of Revenues (FYI) [2024-10-30 Financial Statements - Signant Two Holdings.pdf](#)

[2024 Anticipated Cabin Expenses \(with 2023 comparison\) - updated Oct 2024.pdf](#)
[2024-01-01 to 2024-10-30 CIBC Bank Statements - Fintry account.pdf](#)

C. Outstanding 2024 fees (**Cody; Discussion and decision**) [Amounts Owing from Shareholders to end of 2024 \(updated Nov 6-24\).pdf](#)

Discussion of outstanding fees and decision on how to proceed.

Pertinent Sections of USA: 20.15 and 20.2 are included below:

20.15 All Fees not paid on a timely basis shall attract interest at the annual rate of Bank of Canada prime plus 5% compounded annually and shall be charges against that Shareholders Interest and any default continuing for 15 months shall result in that Shareholder forfeiting his or her Interest in the company.

20.2 In addition to the Annual Assessment, the Shareholder's by resolution passed by a majority of Shareholders, may require an additional amount (the "Extraordinary Levy") which shall be due and payable within 30 days of receipt by the Shareholders of notice of the levy.

Cody presented the document prepared by Jennifer and presented the sections of the USA related to unpaid fees.

Vic noted that when Rhonda went into default for a year, we didn't charge interest. Sheila stated that the circumstances of Rhonda's default were very different because it was not intentional but due to an error in her accounting. Vic said that there was a misunderstanding the second time that Rhonda went into default. Vic said that the first time Rhonda went into default she corrected it after about 12 months.

Cody stated that we would want to give Uncle Duane the benefit of the doubt. Joel pointed out that Duane received the agenda and will receive the minutes of this discussion, so he would be aware. Sheila said she would be in agreement with reaching out to Duane.

Motion: Cody will reach out to Duane and share with him the outstanding fees and gauge his understanding with respect to payment.

Moved by Cody, seconded by Sheila. All in favour. The motion passes.

D. Upcoming expenditures (**Cody; Discussion and decision on 2025 items for consideration**)

- a. Firesmarting
- b. HVAC upgrades
- c. Accounting (2024 tax return and clarification regarding capital gains taxes owed for the transfer of shares)
- d. Professional chimney sweeping

- e. New bed in third bedroom

Upcoming expenditures were discussed on an item-by-item basis below.

4. Clarification on next Steps for Duane's Shares (Sharyn; FYI)

Sharyn has requested an update on this matter. Duane will not be in attendance at the AGM and has provided the following response to Cody: "Hi Cody, As you know, we are now both represented by our separate lawyers. I suggest you make this request for clarification to the lawyer that is representing your crew of shareholders. Duane"

5. Firesmarting (Sheila; Update, Discussion, and Decision)

[391-Shorts-Rd-Fintry-Delta--Kelowna--BC.pdf](#)

A. 2024 Projects:

- a. Removal of cedars from East and North perimeters
- b. Extensive pruning of deadwood in all trees by family members
- c. Pruning within 1.5 m of cabin
- d. Further culling under cabin to free up area for construction of new storage area
- e. Removal of vertical wall of old rough wood under deck
- f. Construction of New Storage Area
- g. Cladding of South and East sides of New Storage Area with Unused Cedar Siding From Original Cladding of Cabin by Mom and Dad
- h. Construction of Metal Shed for Storage of Firewood
- i. The final Steps of the 2024 Cladding and Shed Projects to be Completed in 2025 by Ron & Sheila are as follows: second finishing coat of stain on cedar siding, second coat of paint on trim, caulking between trim and cedar siding, caulking under frame of shed and between 2' X 6' base and patio pavers underneath. Also weather stripping with a metal edge will be installed on the main entrance door, seals will be installed under both boathouse garage doors, and brush seals will be installed in the metal roll-up doors. (Note: all these products yet to be installed were purchased in 2024; therefore, there will be no additional costs for their installations.)

- B. Firesmarting leadership: Originally this was Vic and Duane. Do we need to change leadership given Duane has stepped back from participation in Signant Two and Vic is looking to pass his responsibilities to Dane?

Vic stated that his intention is to transfer his shares to Dane. He said that he stepped back from firesmarting quite some time ago and that Sheila has taken the leadership. Sheila said that she is happy to take on that role going forward, with Ron.

C. Recommendations on projects to pursue in 2025:

[Signant Two 2024 Cabin FireSmarting Plan.docx](#)

- a. Product to apply to cedar siding in order to make it somewhat fire resistant (\$1344).

- b. Cladding for west exterior wall of cabin; e.g., LP (Louisiana Pacific) Smartsiding. Ron will prepare a quote for the AGM discussion. He anticipates that the cost would be approximately \$1000 - \$1200.)
- c. Metal flashing (at least 6" high) around perimeter of base of cabin (\$364.50).
- d. Roof gutter covers (so needles blow off roof with the wind rather than accumulating. Note: when Sheila and Ron cleaned out eavestroughs Oct 30th, the North drain on the cabin eavestrough was thoroughly plugged. No water could drain through the hole. Ron and Sheila will prepare a quote for the AGM for the estimated amount of roof gutter cover needed.
- e. Possibility of having a firehose and pump for lake water -- which is what Murray and Sharon have in order to spray their roof in the event of an encroaching fire. Another option is a system of sprinklers attached to roof gutters in order to spray the roof in the event of an encroaching fire. (Could be operated using pumped lake water, as well.) We would need to speak with Murray McKenzie regarding the cost of a firehose and pump.
- f. Pruning of deadwood in three ponderosas and trees along the West boundary {2024 quotes: Mitch (\$1800) and Limb Master Tree Service (\$2310)}. {Note: Opinion of Limb Master rep, Scott, was that all three ponderosas are in very good health and that they act as "a unit" due to their close proximity, so removal of the centre ponderosa would not make that much of a difference. However, there is a lot of deadwood in all three ponderosas and this should be removed.}
- g. Others?

Vic stated that since Sheila and Ron have taken on a leadership role, he believes everyone else should support what they recommend. Cody said he would be happy to follow their recommendations.

Joel said we don't need to discuss line items specifically unless someone wants to raise a question or concern. He said we should approve the budget and discuss the funding, such as if a special levy is required.

Dane mentioned RE: roof gutter covers that he installed them on a similar problem and regretted it. He said it is like a mesh and needles get stuck in it. Dane recommends downspout guards instead (Gutter dream cover), which keeps the material up in the gutter so that you can scoop it up.

Cody stated that Jennifer's attached document for costs next year vs revenues shows a surplus of \$1700. He concluded that we would need a special levy to cover the firesmarting. Sheila suggested we can total the line items to get a budget.

Regarding e), Vic pointed out that we should look at the legality of pumping water without a permit, and if we do it, we should do it properly. Cody expressed concern about doing anything that would require someone to defy an evacuation order. Dane agreed and suggested we have

good relations with Murray and that potentially he could spray using lake water for us. Vic pointed out that Murray remaining increases the risk for everyone else, since firefighters cannot drop fire retardant within a certain radius if someone is there. Sheila suggested putting e) on the backburner for now, but continuing to think about it for the future.

Sheila strongly recommended doing f), and Vic suggested we should leave the decision of which provider to do the pruning in Sheila and Ron's hands. Sheila suggested we can go with the higher quote.

D. Decision on 2025 Firesmarting budget

Sheila did a quick calculation for the budget adding up the line items above, giving \$5476. She added 10% (\$547) to give ~\$6000, but emphasized there will be other firesmarting expenses that we cannot foresee.

Motion: Sheila moves we have a firesmarting levy for 2025 that is 10 dollars per month per share for 10 months from January to October, payment due on the 15 of the month starting in January 2025.

Moved by Sheila, Seconded by Cody.

All in favour, including Duane (by proxy). The motion passes.

6. HVAC Upgrades (Cody; Discussion and Decision)

Given the decision to prioritize firesmarting the cabin, do we still wish to replace the furnace in 2025 or is there a desire to postpone the replacement until 2026?

Cody said his family would want to push this to next year, and Sheila and Sharyn agreed. Vic said this would be fine by him and Duane.

7. Accounting and Reporting to CRA (Cody; Discussion and Decision)

- A. Decision to engage Fay Chrisohou to prepare Signant Two 2024 tax return and timeframe for engagement.

Cody said he would support doing this again and Sheila agreed. Joel asked what the cost would be. Sheila stated that 10 years was \$5500, so she estimated one year would be \$500-800. Vic asked if Fay has met with Jennifer to review and amend the terminology for the financial statement. He emphasized that we should not make reference to income or user fees, as it makes it look like the corporation is carrying on business.

Motion: Cody to engage with Fay on the below items:

- 1) Terminology in accounting
- 2) Answers to questions unanswered from last year
- 3) Tax return for 2024

Moved by Cody, seconded by Sheila. All in favour. The motion passes.

- B. Clarification from Fay regarding possible Capital Gains Taxes owed for the transfer Signant Two shares:

Sheila asked for clarification in her July 9/24 email regarding possible Capital Gains Taxes owed for the transfer of Dale's Shares to Cody, Carson and Brenna.

Vic's specific question asked in his July 9/24 email was: "My question is whether, in a situation such as ours where any sale of shares must be completed at essentially 1/2 market value, is it not arguable that the disposition should be subject to capital gains tax taking into account only 1/2 the market value because we are subject to restrictive terms under the USA?"

To Sheila's knowledge, we have not received a response from Fay on either Sheila's July 9 or Vic's July 9 email and is seeking a decision regarding whether to pursue a response. (Copy of pertinent email thread: [Capital Gains Tax Questions to Fay Chrisohou by Vic and Sheila 2024.docx](#))

Vic confirmed that he did not hear back for his question.

- C. Underused Housing Tax: [Underused Housing Tax Return and Election Form - Change in Requirements 2023.docx](#)

Sheila confirming there are no outstanding actions required

- D. Bare Trust:

[Fay Chrisohou Gmail - Summary - Signant Two Holdings Ltd.pdf](#)

Fay Chrisohou, accountant, has determined that Signant Two Holdings Ltd qualifies as a "Bare Trust" and she was to submit a letter to the CRA to this effect when she filed our 2013 - 2023 Corporate Income Tax Returns in 2024. (For further information on Bare Trusts, see link:

<https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/b-068/bare-trusts.html>)

Trust Reporting Requirements for Bare Trusts – 2023 change in requirements

(link: New -- Bare trusts are exempt from trust reporting requirements for 2023 -- Canada.ca)

Background: For the 2023 tax year, Bare Trusts were no longer required to submit a T3 Income Tax and Information Return (T3 Return), including Schedule 15 (Beneficial Ownership Information of a Trust).

Regarding 2024, Bare Trusts are again not required to submit a T3 Return, including a Schedule 15, as noted in the following quotation from the CRA website:

“The Canada Revenue Agency (CRA) will not require bare trusts to file a T3 Income Tax and Information Return (T3 return), including Schedule 15 (Beneficial Ownership Information of a Trust) for the 2024 tax year, unless the CRA makes a direct request for these filings. This is a continuation of the exemption from the trust reporting requirements that was issued for bare trusts for the 2023 tax year.” (Source: CRA link: <https://www.canada.ca/en/revenue-agency/services/tax/trust-administrators/t3-return/new-trust-reporting-requirements-t3-filed-tax-years-ending-december-2023.html>)

NOTE: For 2025 and future tax filing, the requirements for Bare Trust Reporting should be clarified each year. Decision required on who will be responsible for this item.

E. Capital Improvements to our Cabin Property and each Beneficial Owner's Adjusted Cost Base (ACB)

Embedded here is a copy of an email from Fay Chrisohou summarizing the capital improvements she identified in our data for filing the 2013 - 2023 corporate taxes. Cody, please embed this document, entitled, "Fay Chrisohou Gmail – Summary -- Signant Two Holdings Ltd," in which Fay explained that:

1. The prorata share of this amount (Capital Improvements 2013 - 2023: \$58,354.50) should be included in each beneficial owner's adjusted cost base. If you recall, the adjusted cost base for each beneficial owner is their initial cost + capital improvements. This calculation is important in determining the beneficial owner's gain/loss on their interest for future dispositions.

Sheila suggests that this very important information be noted on the website for future reference. Decision needed.

Sheila presented the information included above in the agenda and suggested this information be added to the website. Cody, Vic and Sharyn all agreed.

Joel stated he doesn't believe the Adjusted Cost Base has to do with the valuation of the property, but how much was paid originally. Sheila said she will provide the information to Cody to include in the questions for Fay RE:calculating the initial cost basis.

NOTE: In this email thread, "Fay Chrisohou Gmail – Summary – Signant Two Holdings Ltd," please be aware that Sheila drew Fay's attention to errors in the 2013 - 2023 tax files regarding shareholder information. Fay agreed to correct these errors and to use the correct information for future returns on behalf of Signant Two Holdings Ltd. ([Corrections to Schedule 50 in Signant Two Tax Returns.docx](#))

8. Transfer of Vic's shares to Dane (Vic; Discussion and decision)

Vic noted that he has stated he wants to transfer his shares to Dane, and asked if he will incur legal fees, i.e. if anyone would stand in the way of it.

Sheila pointed out that the USA describes how shares can be sold or transferred. She said we should address how this should be done legally and that we shouldn't override the USA. Sharyn said she agrees and said we shouldn't change the USA when some people are not abiding by it.

Vic said he doesn't know what that means and that he wants to transfer his shares. Sheila clarified that she thinks Sharyn means that Vic's transfer would require changing the USA.

Vic said that he doesn't believe anything in USA would prohibit this transfer. Vic asked Sharyn to clarify if she was saying he could not transfer his shares to Dane, and Sharyn replied that she doesn't believe the USA currently allows that.

Dane identified that two potential proposals were under consideration:

- 1) Vic passing on his shares to Dane
- 2) Amending the USA to allow people to pass on shares to their children.

Joel asked if there is additional complexity for the 2nd option, and Dane replied that it would require everyone to sign the amended USA. Sheila asked if we could not just amend the one section of the USA. Dane said this is possible but said there is a fear that it would balloon and become more complex.

Motion: That the shareholders approve the transfer of Vic's shares to Dane.

Moved by Vic, seconded by Duane (by proxy).

Discussion: Sharyn said she wants clarification about what in the USA is pertinent or not, for example Duane offering his shares for sale. Vic began to discuss Paragraphs 9 (Forfeiture) and 10 (Reissuance of Shares) and Dane interrupted him, saying that we don't need to talk about that right now.

Cody expressed that he has no opposition to the transfer of shares from Vic to Dane and would also support updating the USA. Sheila agreed and said she would like to amend the motion to say that we intend to pursue a standalone resolution amending for section 11 of the USA that indicates that a person can pass on their shares while they are still alive to their children. Sheila asked Vic if he would be open to that amendment. Vic said he would second that. Cody asked if we could bring back some draft wording to be reviewed. Vic agreed that amending the USA would become a much larger question.

Vote on Vic's motion: all in favour. The motion passes.

Cody said that it seems everyone would be amenable to amending the USA to cover this situation in the future, but the challenge would be to draft appropriate language. Sheila said she would work on the wording for an amendment, and Dane offered to work with Sheila.

9. Professional Chimney Sweeping (Sheila; Discussion and decision)

Sheila recommends this be done in 2025 given that we burned a lot of the newly cut wood during our October work bee. Some of it may have been a bit green and may have caused creosote build-up.

All in favour

10. Gift cards for Sam and Rick for 2024 Off-season Cabin Monitoring (Cody; Discussion and decision)

Proposal that Signant Two provide \$300 to Sam and Rick Sanderson this year given that the insurance requirement for monitoring is once every 7 days AND they are on call if something happens unexpectedly.

All in favour

11. 2025 Bugmaster Applications (Update)

Reminder of 2022 agreement to engage Bugmaster annually for indoor and outdoor applications in Spring and Summer including an extra indoor application in March (ceiling beams throughout the cabin). Confirmation that Melanie T. can take lead on this again in 2025. Do we wish to extend the indoor applications (spring and fall) to the new storage area?

All in favour

12. Updated Checklist for Closing Cabin (Sheila; FYI)

Sheila to present an updated checklist for closing the cabin.

Carried over for a future meeting.

13. Bed Proposal (Sheila; Discussion and Decision)

Sheila proposes 1) a new bed be purchased for the third bedroom (\$1,068.90) and 2) Ron could build a trundle bed for each of the middle and 3rd bedrooms (the two spare mattresses standing in the 3rd bedroom would then be stored out of sight). The beds would be on castors, so could be moved to either a N-S or an E-W orientation when the trundle was not in use. Ron will prepare for the AGM an estimate for constructing two trundle beds.

Sharyn and Vic approved the proposal. Cody said he wouldn't mind holding off on the trundle bed. Vic said he would fund the cost of the trundle bed for the moment as not to lose Ron's initiative and momentum. He said he will send a prepayment to Jennifer so that is money there.

All in favour of approving the new mattress and trundle bed.

Everything from here onward is carried over to a future meeting.

14. Canoe Proposal (Sheila; Discussion and Decision)

Sheila proposes she and Ron bring a canoe to cabin which would be intended for everyone's use and stored against West wall in Storage #2.

15. Upcoming Updates to website (Sheila; FYI)

Workbee photos (cedar removal, construction of new storage areas, cedar siding installation on lower level, construction of shed, transfer of cedar logs and firewood to shed), propane tank reading, meeting minutes, log splitter log

16. Firewood (Sheila; FYI)

Both Melanie T and her neighbour, Sue, generously donated firewood to the cabin from trees that were cut down in their yards.

17. Cleaning Schedule Revision (Sheila; Discussion and Decision)

Sheila recommends that the task of washing blankets and comforters have the additional task of washing all mattress covers.

18. Taps in Main Bathroom and Half Bath (Sheila; FYI)

These taps are still not functioning optimally. (Extra turning of hot water tap is required in main bathroom and "roaring" continues in both bathrooms.) Ron offers to look at this in spring.

19. Cabin Maintenance Process (Sheila; Discussion and decision)

Sheila wishes to recommend certain "understandings" that we might all agree to regarding certain practices we wish to uphold in our joint endeavour of caring for the cabin. For example, procedures and protocols when something needs repair, how certain items are to be stored, and protocols for communication among members.

20. Fence installation (Sheila; Discussion and Decision)

Our neighbours, Mike and Camille Zwardon, have proposed that we share the cost of installing a fence between our properties. Presently, the cost is unknown. Mike will communicate with Sheila.

21. Paving stone proposal (Sheila; Discussion and Decision)

Proposal from Ron that he install further paving stones to completely cover the lower area between boathouse and Storage #1. The goal is to increase safety and facilitate the removal of pine needles that collect in rocks next to the boathouse. Six to eight paving stones would be required, costing approximately \$130 plus taxes (GST and PST).

22. Second Hand Patio Set and Vertical Space Heater (Sheila; Discussion and Decision)

Sheila grabbed these as freebies from neighbours moving out. The patio set includes cushioned chairs, a chaise-lounge, and a round glass table. Sheila proposes that they will be a great replacement for the picnic tables.

23. 2023 Overview Cabin Repairs, Maintenance and Upgrades

Please review the following list and ensure that your family's 2024 contributions have been acknowledged. Please let Cody know of anything that should be added to this list.

[AGM Thank you – maintenance and upgrades.docx](#)

Sheila wishes to formally acknowledge the importance of Melanie's ongoing presence near the cabin and her generosity in being available to act on our behalf or to check things out at the cabin, especially in urgent situations such as the problem with the faulty underground valve which would not have been discovered in such a timely fashion (Feb 2023) if it weren't for Melanie's presence at the cabin and her constant vigilance about anything changing from the norm. Melanie also stores at her home staining, caulking and cleaning products which would freeze if left at the cabin over the winter. We are grateful for the storage of these products and for the hauling back and forth of a lot of weight, Melanie!

24. Yearly Air Quality Assessment – evaluating whether our current measures are adequate for achieving an air quality that is healthy and safe for all. (Sheila; Discussion and Decision)

We have committed to doing this assessment yearly.

We have not undertaken a formal analysis of the Air Quality Monitor Readings. It is uncertain whether we have enough data to actually draw comparisons or draw conclusions. Plus the air quality during the last two summers was likely affected, especially on some days, by the presence of smoke in the air due to the wildfires.

Sheila has reached out to Melanie and Jen to inquire regarding their experience at the cabin in 2024.

25. Directors Resolutions

- A. [2024 Resolutions - All in one Document.pdf](#)
- B. Assignment of 2025 Executive Positions in Signant Two
 - President – Cody to enter fourth year
 - Vice-President – Sharyn to enter fourth year
 - Secretary – Joel to enter fourth year

Dane would like to bring information on seeding the front lawn to the next meeting.

26. (If needed) Select a Meeting Date for AGM Part II

27. (If needed) schedule a special meeting early in New Year to finalize 2025 FireSmarting plan

28. Closing of the Meeting (Cody)

Cody closed the meeting at 9:11PM.