

MINUTES OF ANNUAL GENERAL MEETING

STRATA CORPORATION KAS 2662

“Pemberton Valley Lodge”

HELD: Monday, February 13th, 2012 at 7:00 PM
The Holiday Inn
700 Old Lillooet Road, North Vancouver, BC

PRESENT: The Owners of Strata Plan KAS 2662 “The Pemberton Valley Lodge” as per the registration sheet.
David Mackenzie & Laura Arnold (PVL Staff)
Rob Moore (Whistler Resort Management Ltd.)

The meeting was called to order at 7:13PM after it was ascertained that a quorum was present in person and by proxy. Paul Lermite was elected Chair. Rob Moore was asked to facilitate the meeting.

- 1.0 **Approval of the Notice of Meeting dated January 24th, 2012** – It was moved, seconded, and *carried* to approve the Notice of Meeting as circulated.
- 2.0 **Approval of agenda:** It was moved, seconded, and *carried* to approve the agenda as presented.
- 3.0 **Approval of the minutes for the AGM held February 24th, 2011** – It was moved, seconded, and *carried* to approve the minutes as presented.
- 4.0 **Approval of the minutes for the Special General Meeting held March 31st, 2011** – It was moved, seconded, and *carried* to approve the minutes as presented.
- 5.0 **Reports**
 - 5.1 **Chairperson’s Report:** Paul Lermite spoke about how busy the past year has been and how it has been a long term of transition since Bellstar had been assigned as the new management company in March of 2009. Paul reported that in 2010 Bellstar approached the Strata Council with an offer to enter into an agreement with the Adara Hotel in Whistler which was also managed by Bellstar. Essentially Bellstar had offered the PVL General Manager, David Mackenzie, the position of GM at the Adara and requested that David be allowed to work with both hotels. The Council agreed to this but as per the Special General Meeting held at the end of March 2011, the management agreement with Bellstar was terminated and the Owners Management Co. was created. Paul reported that in addition to being a very busy year for the Strata Council it had turned out to be a difficult financial year with the Lodge reporting about half of the profit expected. Over the past year the Lodge has lost some key people. Some projects like the exterior painting of the Lodge were not able to be completed. Some key projects have been budgeted for this next year to

ensure that the Lodge is kept fresh and updated. The three year lease for the equipment in the Lodge's laundry facility has been paid off. The Lodge is currently at risk of losing the Adara as a client for the laundry service as they have decided to weigh alternatives. Paul reported that the Council had solicited the services of Braidwood for a 12 month term to explore alternative marketing options for the Lodge but to a certain extent the relationship with Braidwood has been fairly unproductive in the past few months and the term of service will expire soon. The partnership with the Adara had proven to be a lot of extra work for the Owners Management Co. after the termination of the Bellstar agreement. Finally, Paul wanted to mention that a great deal of thanks was due to the Council members and Owners management team who sacrificed a tremendous amount of personal time to the wellbeing of the Lodge.

- 5.2 **Insurance Report:** The agent reported that the Lodge insurance policy was currently carried by the Hospitality Insurance Program of the Western Financial Group (Network) Inc. and that the term of the policy ran from December 1st, 2011 to December 1st, 2012. The annual premium for this period is \$19,986.00 and there is also a Directors and Officers liability coverage in the amount of \$5 Million. Any owners wishing a copy of the certificate of the policy detailing the coverage breakdown may contact the Strata Agent or the Lodge General Manager.
- 5.3 **General Manager's Report:** David Mackenzie reported that the year started off with challenges specifically with a flood in the lobby. David reported that the Lodge hosted a lot of film crews this year. The Twilight franchise was shooting locally and bought out the hotel during filming. Financially, a challenging year with the border issues and lack of American tourists but the market has recently been bouncing back. There was another small property competing with the Lodge in Pemberton which resulted in a temporary loss of some clientele but due to poor service at this other location those clients returned to the Lodge. The Lodge was also involved in and hosted some community projects such as Cops for Cancer and the 1st annual Gingerbread Project for the local food bank. The Lodge hosted a silent auction for the Gingerbread Project. Prizes were provided by local businesses and there was over \$1K raised for the food bank. The Christmas lights displayed on the building and grounds this year received great feedback. The Lodge also began the Breakfast project this year to address customer comments regarding a lack of food in the hotel service. The service includes in-room continental and deluxe breakfast. So far, the breakfast service has been picking up speed. It is a low maintenance service but results in a good return. David reported that although the financial results were down this year this was the trend in Whistler as well but the Lodge still made a profit this year.
- 5.4 **Pemberton Valley Lodge Owners Co. Report:** Larry Arabski reported that he and Kristin McCahon had taken over in May of 2011 as the members of the management co. and the process for the transition had been long and quite overwhelming at first. A letter went out to all the owners in January regarding the issues that the management company had been facing. It seemed as though it had been a good prospect at the beginning to join with the Adara in a

joint management capacity but ultimately it did not work at that way. In early January the joint agreement with the Adara, which was essentially a hand-shake deal, was dissolved. Only legal issue with the termination of the partnership was David Mackenzie terminating his role as the general manager of the Adara. David effectively had to resign from both hotels and then enter a new contract with PVL. 2011 proved to be a difficult year financially but the ownership came out with their heads above water. Whistler was also suffering financially last year and the competitive rates that were being offered in Whistler were hard to match. Between 2005 and 2009 the industry standard was about 32% revenue. In 2011, the approximate rate of revenue was 19%. The management co. did their best to curtail expenses as well as possible without hurting any operating benefits. The Lodge actually reported a good summer. This next year the industry is supposed to be turning around so the management team is hopeful of achieving the next fiscal budget projections. Kristin then reported that some of the hotel issues the previous year had included the delay of the Lodge painting project. It has been noted that the exterior paint on the hotel is starting to peel and fade. After requiring more information in the project bidding process, it had become too late in the season to begin the painting so this item was tabled for this next fiscal year. Another issue that the Lodge faced this past year was water leaking in the elevator shaft. A contractor was secured to perform an elevator waterproofing project. It was an unavoidable expense but the completed project includes a 5 year warranty. The Lodge pool has been ongoing for issues as well. Consistent items include cracks in the pool deck, failed water heaters, pumps, and hot tub jets. The pool remains function-able but the cost of maintenance continues. The water tanks are requiring replacement due to the Pemberton hard water. A spare has been purchased to help manage future replacement costs. The laundry machines have also been affected by the hard water and future expenses are being anticipated for this as well. In total, there has been \$23K in expenses for these issues. Quotes for a water softening system are being obtained but the initial estimates are approximately \$15K. The OMC performed regular tours of the Lodge and were pleased by the condition and cleanliness of the rooms. It was specifically noted that some of the soft furnishings are in need of attention however. Cleaning the furnishings is no longer sufficient. There are chairs, couches, hide-a-beds, and other furnishings that will require replacement or recovering. Some of the corners and walls in the Lodge have been damaged by wear and tear as well. The Lodge dollies have been shortening the life of the wallpaper and walls but it was noted that the carpet seems to be holding up quite well. Any replacement of the furnishings should be expensed from the FF&E budget and the goal has been to keep contributing to that account. Kristin noted that there is a contracting policy in place for the Lodge. An owner asked if it would be possible to have a preliminary Lodge financial report available for the AGM in the future so that items could be discussed among the ownership during the meeting. It was agreed by those present that the new elected Council should try to make that happen for the next general meeting. An owner then asked about legal expenses accrued regarding the partnership with the Adara and the OMC. Larry explained that most of the legal expenses were attributed to setting up the new management company and later in the year more legal expenses came from

setting up contracts for David Mackenzie and Laura Arnold. The legal expenses for the setting up of the management company were split with the Adara Hotel. An owner then asked what the expense to hire Braidwood to assist as a marketing resource was. Larry explained that the 12 month term was for \$30K from May 2011 and expiring in May 2012. Larry went on to explain that originally it was thought that the relationship with the Adara Hotel would be a benefit for joint marketing. An owner suggested that possibly there could be some ownership subcommittees formed to help with Lodge issues.

- 6.0 **Review of the Strata Corp. Financial Statements for the Fiscal Year Ending December 31st, 2011:** The agent reviewed the Balance Sheet as well as the Income / Expense Statement in detail. It was noted that the Strata Corporation ended the fiscal year with an operating deficit of \$2,744.19. The agent noted that there had been a recovery of \$12K to the deficit in the Retained Operating Fund and there now remained a deficit balance of (\$11,056.77) in that fund. After discussions and explanations of the accounting and reporting of the property assets including the mortgage for the lobby strata lot, it was moved, seconded, and **carried** to accept the financials as presented.
- 7.0 **Special Resolution 01-12: PVL Rental Pool Agreement:** It was moved and seconded to bring the resolution forward for discussion. During discussions it was moved and seconded to amend the proposed agreement by separating the rental pool agreement portion of the document from the management agreement portion. The motion to amend was put to a vote and was **defeated** lacking a $\frac{3}{4}$ approval of the ownership in person or by proxy. After further discussions, the proposed agreement was put forward to be voted on. Resolution 01-12, to adopt the proposed PVL Rental Pool and Management Agreement was **defeated** lacking a $\frac{3}{4}$ approval of the ownership in person or by proxy. It was noted that there is currently an agreement in place specifically, the one that had been reassigned from Bellstar to the new Owners Management Co. at the previous Special General Meeting
- 8.0 **Review and Approval of the Strata Corp. Operating Budget for the Fiscal Year Ending December 31st, 2012:** The agent reviewed the draft budget line by line. After discussions regarding specific line items, it was moved, seconded, and **unanimously carried** to approve the budget as presented.
- 9.0 **Other Business:**
- 9.1 Roles of Council:** Ron Crawford distributed and discussed a proposed template for the roles of the Strata Council and their interactions with the Lodge management team.
- 10.0 **Election of 2012 Strata Council:** The agent opened the floor to nominations for Strata Council. After owner nominations had been moved and seconded, the agent read the names of the new Strata Council members to the assembly. Only four owners accepted nominations and therefore were acclaimed:

Mickey Patryluk
Richard Thomson

Ron Crawford

Shelley Crawford

There being no further business, the meeting was terminated at 11:00PM.

Owners are reminded that they may access the property strata information on the WRM

website: www.wrm.bc.ca

Log In: Pemberton Valley Lodge

Password: kas2662

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