

IMPORTANT INFORMATION Please have this translated

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RENSEIGNEMENTS IMPORTANTS Prière de les faire traduire

これはたいせつなお知らせです。どなたかに日本語に訳してもらってください。

INFORMACIÓN IMPORTANTE Busque alguien que le traduzca

알려드립니다 이것을 번역해 주십시오

CHỈ DẪN QUAN TRỌNG Xin nhờ người dịch hộ

ਜ਼ਰੂਰੀ ਜਾਣਕਾਰੀ ਕਿਰਪਾ ਕਰਕੇ ਕਿਸੇ ਕੋਲੋਂ ਇਸ ਦਾ ਉਲੱਥਾ ਕਰਵਾਓ

October 9, 2020

MEMO TO: The Owners
Strata Plan LMS 712

FROM: Kim O'Pray, Strata Manager

RE: Summary of Virtual Townhall Pre-SGM Information Meeting
& Special General Meeting REMINDER – RESTRICTED PROXY MEETING
NO PERSONAL ATTENDANCE – PLEASE SUBMIT YOUR PROXY!

Dear Owners:

Please refer to the attached summary of information, questions and answers that were presented at the October 6, 2020 Virtual Townhall Pre-SGM Information Meeting.

A reminder that your Special General Meeting is scheduled for:

DATE: Thursday, October 15, 2020

YOUR **COMPLETED PROXY** MUST BE SUBMITTED NO LATER THAN:

DATE & TIME: 12:00 p.m. on Wednesday, October 14, 2020

SEND TO: LMS712SGM.PROXY@FSResidential.com

Please assign your restricted proxy to one of the Council Members as directed in your Notice.

Please sign and date at the bottom of the proxy form as per legislation. Unfortunately, any unsigned proxy is not assignable and will be voided.

This proxy may not be used for amendments, nor is discretionary voting on these items permitted at the Meeting by the proxy holder.

Thank you for your attention.

* * *

TO: The Owners, Strata Plan LMS 712 DATE: October 9, 2020
FROM: Kim O'Pray, Strata Manager, on behalf of the Strata Council
RE: Virtual Townhall Pre-SGM Information Meeting

This is a summary of the information, questions and answers that were presented at the October 6, 2020 Virtual Townhall Pre-SGM Information Meeting ("Meeting") that was held to discuss the Podium Membrane Project Phase 1 ("Project") and the special levy of \$2.4 million (\$2,400,000) that Owners will be asked to pass in order to fund the Project .

The Meeting was held as a webinar due to the current Covid-19 pandemic.

The moderator of the meeting was Brad Tower of FirstService Residential ("FSR"). Kim O'Pray of FSR was present to direct the questions to Marcus Dell, Len Sakuragi and Michael Roche from RDH Building Science ("RDH") and the Strata Council.

Seventy-five owners participated in the Meeting including 7 Strata Council members.

Kim O'Pray discussed the format of the Meeting and explained the voting by Restricted Proxy Form. She also outlined the method of paying by submitting a Pre-Authorized Debit (PAD) Agreement or by cheque if the special levy is passed by the Owners.

Daniel Wang, President of the Strata Council, made the following comments:

I'd like to start by thanking all the owners present tonight who've taken the time to go through the SGM materials regarding the podium refurbishment. Thank you for being here and for participating in this decision making process. Thanks also to council members who've put countless hours behind this, and to RDH for assisting in this process. I'd like to take a few steps back to 2013 when the first depreciation report was issued for our strata. As you all know, the depreciation report is the roadmap that all strata corporations are mandated to have in order to maintain their assets such as the building envelope, the elevators, the plumbing, etc - large ticket items that have various lifespans. This is the roadmap we have been following since then and which has served us well so far. In 2019, and even earlier, Council started looking at the next item on that depreciation report, which was the podium membrane replacement. The membrane that protects the roof over the parkade was starting to fail in some areas and over all, it was reaching the end of its useful life. Council started informing owners about the urgency to put some funds aside to update the membrane. This was discussed at an information session in October 2019 and brought up again at the AGM earlier in 2020, when we could still all meet and shake hands. Since then you've also received a video recording about it and various pieces of information. Some owners have rightfully asked why we didn't get several quotes before proceeding with the repair work, and simply went ahead with RDH. Before I answer this question, I'd like to make it clear to everyone here that Council members have just as much skin in the game as everybody else here. We all have to cut a cheque at the end of the day, and we all want that cheque to be as small as possible. We must understand, however, that 1) that membrane will only get worse with time, 2) RDH knows this building like the back of their hand and having another engineering firm coming in could cost us more in the long run and 3) RDH will tender out the various aspects of the work to the lowest bidders or the best tradespeople.

The bids are presented to Council for review and approval. So, no, RDH doesn't get a blank cheque to spend as they wish. Some owners have also asked if we could do this project piecemeal. If by piecemeal you mean just a patch up job here and there when there's a leak, I would argue that it would be throwing good money after bad. It's like putting band-aids on a leaky bucket. Sooner or later you will have to replace the whole bucket. If by piecemeal you mean the outside podium and then then the inside podium, then yes this resolution tonight is only for the outside podium. We are still working on the details and timeline for phase 2, the inside podium. Do know, however, that we will eventually have to do the inside podium, because it's the same membrane, but that's not for now and that's not the resolution for this SGM. We are only talking about the exterior podium, the membrane that extends outside the complex to the sidewalk. So, here we are tonight, ready to address the questions you've sent to us, and more questions that you will be sending to us live. We hope you will understand our approach, which we believe is sensible, conservative and for the good of all, which is Council's overarching duty to this strata corporation, to you, our neighbours and friends.

Marcus Dell of RDH presented a history of RDH's involvement with the strata and an overview of the exterior and interior podium membrane replacement projects. The projects are clearly explained on the video prepared by RDH for the Owners. Owners who received the SGM proxy by email, can click on the link to the video otherwise it can be accessed on the strata's website.

Some key points reviewed by RDH in response to Owners questions included:

- The exterior project includes replacement of the podium membrane on the outside of the buildings including Beach Avenue, Hornby Street, Seabreeze and Howe Street;
- The Project should commence in March 2021 when the weather improves and it will last for approximately one year;
- An Owner suggested that the Project could be reduced by eliminating the Seabreeze side; this would not be prudent as there is already water ingress on the south side of P2 which is under Seabreeze and we have done targeted repairs to the interior podium membrane at the Seabreeze townhouse patios;
- Townhouse and commercial unit access will be provided during the project through temporary ramps and stairs;
- The Project will result in the removal of the trees in front of the townhouses on Seabreeze which will be replaced with a less invasive variety; the arborist report suggested that the trees on the south side of Seabreeze be protected during the construction;
- Past repairs at Beach Tower, Ocean Tower and townhouse 14 will be integrated into the new membrane;
- Delay in the work may lead to increased frequency of water ingress and compromise the repaired locations;
- The base camp for the Project will be a space on P1 near Garden Tower that is used as an office, meeting room and first aid room; sanitary facilities for the workers will also be located in this area; there will likely be some materials on the street as the Project moves around the complex

Bev Andrews, Daniel Wang and others on council provided the following responses to questions sent in by Owners before the webinar. These responses are in the order of the questions as they were presented:

- The cost per suite for the \$2.4 million levy for Phase 1-exterior podium is in the SGM package; costs have not been finalized for Phase 2-interior podium; based on the preliminary estimate of \$4 million, Owners can multiply their Phase 1 amount by 1.66 to estimate their share of the Phase 2 costs;
- All anticipated future projects are itemized in the Depreciation Report which is on the strata's website; the Strata Council monitors various problems in the complex to evaluate other possible major projects;
- The 2013 Depreciation Report advised the Owners to complete the elevator project and re-piping within 2-3 years; independent investigations were done and neither project was required in the proposed time frame; we completed a minor elevator project based on the consultant's report and refurbishment of the elevator cabs;
- The major part of the elevator project may be next on the horizon; costs of this project are being compiled and the timing of the project may fall before or after the completion of Phase 2 podium renewal;
- There have been no significant piping issues; this project is not yet being investigated;
- Funds for major projects are currently raised by special levies; there are other funding models available if the owners would prefer to add \$1 million to \$1.5 million to the Contingency Reserve Fund annually and then top up the funds when the cost of a major project exceeds the funds available in the Contingency Reserve Fund;
- There are currently no plans to change the appearance of the entrance on Howe Street;
- There should be little or no financial impact to the commercial businesses on the Beach/Hornby corner during phase 1 and no impact at all during phase 2 for the interior courtyard;
- Ramps will be built to accommodate foot traffic over the construction; we will assist the owners with signage, if required. WorkSafe BC and the City of Vancouver require that Owners have access to their homes during construction;
- If there are changes to an initial contract or scope of work, the changes are reviewed with council to obtain approval; a contingency amount is built into each project budget to provide for unanticipated changes;
- The funds for the projects are raised by special levies approved by the owners; currently owners are being asked to submit their Restricted Proxy Forms to vote for the \$2.4 million required for the Phase 1-exterior podium membrane renewal;
- The design of the interior courtyard will remain the same; many owners have expressed interest in retaining the design. The plans submitted to the City of Vancouver including the report from the landscape architect are based on retaining the original design. This will be part of Phase 2 and is not what we are dealing with right now;
- The compelling reason to approve the special levy now is to raise funds for the project that should commence in approximately March 2021 when the weather improves. The membrane must be installed during good weather;

- We understand that this is a difficult situation for some owners during this time, the flip side is that we are likely to get the work done at a lower cost by doing it now because of the pandemic.
- Generally speaking construction costs have been increasing at the rate of 5-10% annually. Construction costs have dipped since the onset of the Corona virus pandemic but are now rebounding. RDH indicated that now is a good time to go to the marketplace to get good construction prices. RDH has 23 years of estimating project costs and are confident in their projected costs for this project. They have considerable experience in podium membrane replacement. At the moment they are involved in three such projects, all of which are larger than our project;
- The Phase 1 landscaping will require replacement of trees and plants; the cherry trees and the ivy will be replaced as they are both invasive species; Nancy Paul, a landscape architect, has prepared a comprehensive report on the landscaping. This report as well as one from an arborist are posted on the strata's website;
- There is no plan to present a special levy to the Owners for Phase 2- Interior Podium at this time. The planning has not been finalized. Completion of Phases 1 and 2 at the same time would be too much work to complete in one year. If the Phase 2 – interior podium project can be presented to the Owners and a levy is passed in the fall of 2021 or at the February 2022 AGM, we could spread the anticipated \$4 million levy over 18-20 months. This would mean the Phase 2 project could commence in spring of 2023 when sufficient funding has been collected;
- The virtual meeting process is new to all of us. Our moderator is from FSR. RDH was set up to receive the questions from Owners and the questions were forwarded to the Strata Council for review and their responses;
- Documents related to the strata and major projects are posted to the strata's website; these can be viewed by Owners at any time;
- None of us know the impact of Covid-19 on the finances of our neighbours; some continue to work or receive pension or investment income while others may have in fact been adversely affected financially; we have spread out the payment of the levy over 10 months in an attempt to lessen the impact

There were approximately 50 questions submitted during the webinar and some letters have been appearing at doors and in mail rooms. The responses to the questions or comments are summarized as follows:

- The strata has a long history with RDH including major projects which have been completed on time and on budget. Some Owners have expressed concern that the planning, design and management of the podium projects were not put out to tender. This concern was not raised by the Owners when they approved the \$200,000 special levy at the February 25, 2020 to proceed with the membrane renewal project as recommended by RDH; an excerpt of the wording of the Special Levy For Podium Membrane Project included the following:
 - **Whereas The Owners, Strata Plan LMS712, wish to proceed with podium membrane renewal project as recommended by RDH Engineering and whereas RDH Engineering attended an Information Meeting for the Owners on October 8, 2019 to provide a summary of the proposed renewal;**

- **Be It Resolved by a $\frac{3}{4}$ vote resolution of The Owners, Strata Plan LMS712, in person or by proxy at this General Meeting that a sum of money not exceeding \$200,000 be raised and spent for the purpose of proceeding with the proposed renewal project recommended by RDH Engineering, such expenditure to be charged as a special levy upon the owners in proportion to the unit entitlement of their respective strata lots.”**
- We are only dealing with the \$2.4 million exterior podium project right now. There is no project of \$6.4 million.
- Several Owners asked why do it now? In addition to prevent water from getting into people’s homes, \$500,000 of targeted repairs have already been done (e.g. entrances to Beach and Ocean Towers plus some repairs to townhouse entrances, patios and planters in the courtyard). These targeted repairs will be at increased risk if the work is not done soon;
- There was a question about expenditure of the funds that will be raised. The bulk of the funds raised from the \$ 2.4 million dollars from the levy will go to the construction companies that will be doing the actual work. RDH has already been paid for the planning to bring the project to the tendering of the work phase (Levy passed on February 25, 2020);
- Projects of this magnitude are handled by a Construction Management approach. RDH will provide a full-time construction manager to deal with the trades including scheduling, access and completion of the work, questions and complaints from Owners, Workers’ Compensation regulations and all other matters. This removes the extra work load from the Building Manager and concierge staff. The Construction Management approach has been used successfully for other large projects at our complex. Splitting Phase 1 exterior podium work into 2 years would not be an efficient way to handle the project and would require a construction manager for more than the 1-year period;
- An Owner asked about a time line. In terms of disruption, the plan is to replace the membrane on one side of the complex at a time. The expectation is that there will be 3 months of disruption per side. Owners will be able to use their entrances (WorkSafeBC and the City of Vancouver requirements). There will be jackhammering that will be noisy but it is expected that it will be of short duration;
- An Owner feels that engineers tend to emphasize the worst case scenario. The Strata Council has always taken a proactive approach and during its ten year involvement with RDH have found their proposals and plans for remediation and repairs and future work to be thorough and well planned. While we have dealt with water ingress issues at the Beach and Ocean Tower entrances and at some of the townhouses, we don’t want to wait for further membrane failures at other townhouses and areas in the parkade;
- In answer to a question asked by an Owner, Kim O’Pray, our Strata Agent, informed Owners that insurance companies are now beginning to look at the Depreciation Report of stratas to ensure that they are keeping up with the maintenance of items that are included in the Depreciation Report;
- As stated earlier, there were 75 owners in attendance including 7 council members which is 29% of the total of 259 units. An Owner felt that attendance of so few owners was not sufficient and that if only 75% of these Owners voted to approve the levy, then the levy would be passed by only 56 Owners, or 22%. This assumption is

- incorrect. Many who could not attend the webinar have made alternate enquiries regarding the project and are planning to vote using their Restricted Proxy Forms;
- A review of the AGM and SGM minutes for the past ten years revealed that while many Owners attend the meetings, there are also some represented by proxies. This included the years where there was a vote on a special levy. A summary of the attendance (in person plus proxies) for four meetings where there was a resolution to raise funds for building enclosure, balconies and other renewal work:
 - Feb 2, 2011 184 persons (71%) represented Levy= \$ 750,000
 - Nov 7, 2012 125 persons (48%) represented Levy= \$1,988,000
 - Feb 28, 2013 109 persons (42%) represented Levy= \$1,988,000
 - Mar 2, 2017 102 persons (39%) represented Levy= \$2,300,000
 - An Owner wanted to know how long the new membrane would last. The new membrane will have a 30-40 year performance life. RDH feels that with the improved drainage that they will install as the membrane is replaced, the performance life of the membrane will be far closer to 40 years than 30 years. In addition, as part of the contract with contractors RDH will ensure that an extended warranty of 10 years will be in place rather than the shorter extended warranty that is common in most contracts;
 - One Owner asked many questions regarding the trees and plants that will be affected by the Project; the report from Nancy Paul, a Landscape Architect, and a list of plants as well as the arborist's report are on the strata website. Please refer to these reports for detailed information. As reported at the meeting, the ivy and the cherry trees are invasive and they will be replaced with alternates; it is intended that the replacement plants and trees will be the same as or similar to what is already in place. Of course, some of the trees will be smaller to start;
 - An Owner asked why weren't Owners told in 2010 that the membrane would fail? The Depreciation Reports that were been completed in 2013 and 2019 are based on the expected life span of existing components of our building (e.g. pipes, elevator components, membranes, etc.) and, therefore, provide information as to when Owners can expect to replace any one component; The membranes were listed as projects in both Depreciation Reports;
 - Some Owners would prefer to have meetings delayed due to Covid-19. The Strata Council cannot predict when we will be clear of the Covid-19 pandemic. Even a 2 to 3 month delay of the SGM would result in delaying the Phase 1 Exterior Podium project for another year due to weather issues and funding of the project. Instead, the Strata Council has chosen to proceed with presenting the plan for Phase 1 to the Owners, much the same as we have continued to maintain the strata including special work at a number of townhouses and replacement of IGU's during the past 7 months. The risk to targeted repairs that have already been completed (e.g. membrane repairs at the Howe and Hornby Street entrances and townhouse patios) will increase with a delay to the start of the project;
 - An Owner asked if Phase 2 interior work could potentially damage Phase 1 exterior work. There is very little risk that this will occur;
 - An Owner was concerned that the votes would be counted by only two council members (Bev Andrews and Daniel Wang) and Owners are being asked not to attend. The two council members that will count the votes are the council members listed on the Restricted Proxy. Due to Covid-19 it is not possible for Owners to

attend. Kim O'Pray will join Bev and Daniel by Zoom and will be observing the counting of the votes. The proxies will be kept for two years as an official record of the Strata Corporation.

- An Owner was concerned that we have been advised how to pay without having a vote. As Owners will not be in attendance when the vote is counted and the result announced (it will be announced the next day), Owners were provided with those details in advance.
- An Owner had a concern that if the levy passed and the square foot equations were being used to determine the amount owing as units being affected the most are on the lower floors. Any Special Assessments and Strata Fees must be charged to all units in accordance with the Unit Entitlement. It is not possible to change this entitlement without a unanimous vote of all Owners of a Strata Corporation.
- An owner was wondering why council proceeded to do \$18k of landscaping two summers ago when the membrane project was in view. The Strata Corporation still has a duty to repair and maintain. It is likely that the interior podium project will not commence for a few more years.
- An Owner was concerned that the day that special levy is passed is the same day (October 15, 2020) that the first payment is due. Owners are provided with a 10-month payment option from December 1, 2020 to September 2021. Alternatively, Owners may pay in full between the SGM and December 1, 2020.

RESTRICTED PROXY FORM

Due to the restrictions on community gatherings, the Strata Corporation is attaching this restricted proxy for our Special General Meeting:

1. The votes shall only be counted as instructed on this proxy.
2. This proxy may not be used for amendments, nor is discretionary voting permitted. Secret ballot voting will not be possible.
3. The exact numbers and result of the vote will be recorded in the Minutes of the Special General Meeting.
4. These proxies shall be retained for a period of two years within the date of this Special General Meeting and may be inspected upon request and when circumstances permit.
5. Agenda items, in most cases are procedural and the designated proxy holder is authorized to ratify each by majority vote.
6. This proxy shall constitute the person attending by proxy to meet quorum requirements for a meeting. **Please send your completed proxy AFTER the Virtual Townhall Pre-SGM Q&A Information Meeting:**

Proxies must be emailed scanned or photographed to LMS712SGM.PROXY@FSResidential.com and received no later than 12pm noon on Wednesday October 14, 2020 in advance of the SGM. If multiple proxies are received for the same Strata Lot / Unit then only the most recently signed and dated version of the proxy will be used.

Restricted Proxy for a specific meeting

Re: Strata Lot _____ and/or Unit # _____ [strata lot number as shown on strata plan] of Strata Plan LMS 712

[the registration number of the strata plan]

Civic Address: _____

I/We, _____ [name(s)],

the owner(s)/others under Section 54, of the strata lot described above, hereby appoint [Please name any **ONE OF the Strata Council Members who will be physically present at the SGM**]

Daniel Wang

Bev Andrews

To act as my/our limited/restricted proxy to vote as indicated below, for me/us on my/our behalf at the Special General Meeting of the Owners Strata Plan LMS 712 to be held on Thursday October 15, 2020, 2020 at 6.00 p.m., or any adjournment thereof.

| DESCRIPTION | IN FAVOUR | OPPOSED | ABSTAINED |
|---|--------------------------|--------------------------|--------------------------|
| 3/4 – Resolution – Podium Membrane Project Phase 1 - Funded by Special Levy | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Date

Signature of Owner/Others under Section 54

Note: *As per Section 56 of the Strata Property Act, a person who provides management services to, or is employed by, the Strata Corporation is not permitted to be appointed as Proxy.*

The proxy form **MUST** be signed by the registered Owner(s) of the strata lot.