

Proprietors of Strata Plan #50

Extraordinary General Meeting

The Palms, Turks and Caicos

Tuesday, January 30, 2024 | 1:00 pm

MINUTES

Meeting Attendees

Owners

Sheron Hoot SH
Peggy Wood PegW
Carol Kirby CK
Peter Wilcox PeW
Jay Baker JB
Patty Baker PB
Rosanne Regent RR
Madeline Francke MF
Lina DelSignore LD
Bob Jones BJ
William Solomon WS
Christy Solomon CS

Executive Committee Directors

Philip Wood PW (Chairman)
Stan Hartling SH
Hal Francke HF
Peter Kirby PK
Dr. Robert Brown RB (via Zoom)

Various Owners via Zoom

Wilson Wells Attorney, Dominique Gardiner DG

Palms Representatives

Jeff Morgan, General Manager JM
Dawn Jules, Owner Relations Manager DJ

Hartling Group Representatives

Patrick Van Hamme, Chief Financial Officer PVH
Pierre Beswick, Vice President of Resort Assets PB (via Zoom)
Karen Whitt, Vice President of Marketing and Sales (via Zoom)

1. Welcome and Greeting by the Chairman

PW requested all present to be seated and confirmed that the person on zoom could hear. He thanked everyone for attending.

2. By-Laws

PW noted that input was received from owners as a result of the townhall meeting last week which has been taken into consideration for the final draft of the by-laws. PW stated that the Executive Committee will continue to review with the outside counsel to be sure the by-laws are consistent with the Strata law. While changes are still being made, the Committee as well as counsel felt it was best to hold off on the voting process and host another meeting. The responses for the by-laws are looking positive and will be sent out once all the adjustments have been made. PW stated that the purpose of this meeting is similar with the townhall meeting, opened for questions.

JB advised that he has a lawyer reviewing the by-laws as well and had a few questions. He wanted to know what is required for the vote. It was confirmed that it is two thirds vote. JB concern was on the follow up EGM and wanted clarification. It was confirmed that two thirds of entitlement was needed.

PW stated that this has never happened at the Palms AGM meeting where there was not a majority, but this allows a mechanism in the event this were to happen.

JB also asked if there was an Executive Committee which was confirmed. He also asked how does it work with the chairman having two votes. It was explained that this would be in the event of a tie.

PW asked if there was anyone on zoom who had comments.

WS stated that his appreciation of the townhall meeting and the importance of the changes as it has to do with the BRBO and Air B&B type of impact that could come to the property, if we do not do something about how the rooms in the rental pool are managed. This will dramatically decrease the value of the property and experience. WS stressed on the need to protect the outside impact and asked that this be kept in mind as the improvement is to protect all involved.

The question was asked if we presently had anyone exercising these practices.

SH stated though not prevalent, it has to be discouraged from happening. The higher end the property the more venerable as the dependence is on the Travel Agency which is at a different standard than the VRBO/Air B&B etc. which can damage relationships. A consistent standard is needed while we those who are investing in the property. VRBO/AirB&B are great for stand alone Villas but dangerous for resorts with an ownership structure. This can quickly become the a case of the guy who is advertising the lowest price and doing the least in maintaining the amenities. This service can also be difficult to have someone to talk to with concerns. Once implemented, it can become very hard to undo and being in a situation with no support form the agency can become a concern.

JB expressed that the by-laws should be amended where owners who are not in the rental pool are not able to do the Air B&B/VRBO etc.

SH responded that all rentals are done through the management company through the rental program on a consistent basis. The only exception is the ownership club group “Exclusive Resorts” who has been here since the beginning and have been great allies. They do not rent but are part of a club and are not competing with us. They have their established members. There will be specific reference in the by-laws to allow them to do what they have been doing in the last 20 years. A lot of the properties are now restricting owners from renting out of the rental pool.

The question was asked if the by-laws would affect having friend and family visit.

SH confirmed that the by-law will not affect personal usage. He further stated that though not done at the Palms, if a non-holiday rental (a on resident rental), room tax is applied to holiday rentals. However, the by-laws have been purposely written to ducktailed that. The Government is seeing the impact of tax revenue not being collected so they are starting to put more pressure on the owner groups for accountability, as they are seeing the damage it does.

CC shared, when a job is done well it looks easy, but in most cases it is not known what is done behind the scenes. It needs to be conveyed to owners the importance the relationship has to be between the hotel and travel agency.

KW added that contracts with Travel Partners are guaranteeing rates at the cheapest rate and if found cheaper it has to be matched. This can create distrust and more importantly it become financially problematic.

CC shared that a lot of the owners do not know the behind the scene with the marketing. If not in the rental pool it should be reported to the Government.

JB said it is a great idea for the refurbishing and would like to know when information will be shared.

PW advised that we are hoping to share information in the next two to three weeks, maximum one month with phase one.

JB commented that though we have a great spa we need to keep it great. It is a huge selling point and is essential.

SH advised that a very comprehensive proposal has been received. It goes beyond enhancing but instead a coordinating look. Plunge will be less invasive. The designers used will be presenting to the board and what they have come up with is amazing and certainly not a lack of investment. When opened 20 years ago, the Palms was ahead of everybody else, but this is no longer the case. This renovation will bring the Palms back there.

PeW asked if the matters of persons who have offered their units outside the management company been dealt with as it arises.

SH advised if it is blatant then there is an option to take the individual out of the rental program. There are a few instances where a warning was extended. If an owner was caught advertising and

using the name of the Palms they would be suspended from the rental program. By having in the DRM it give enforcement sending a message to the Travel Trade.

PeW suggested that though there is going to be another draft, there should be consideration to host another townhall meeting as there is a lot to be discussed and the details are very important.

PW noted that the town hall meeting was very productive where a lot of questions were asked which contributed to some of the changes.

CC asked if there is a way to assess the rack rate and apply a charge to the owner(s) who are participating in the VRBO/AirB&B etc. She added that it needs to be consequential for persons who do not stick to the program.

PK asked if someone was habitually violating the DRM, would that be grounds for a law suite.

SH the by-laws is also beneficial where there is restriction on the servicing of the unit by an outside company.

CK requested some information on the new design of Plunge kitchen as it has an effect on building one.

SH the design team has a check list of goals to make it more visually appealing and they have achieved that with minimal impact on the views. This will bring the Palms to the most Instagram able resort. SH gave a further run through on what owners can expect.

PeW asked if an owner wants to have someone to come and work on their unit would that be affected.

SH confirmed that owners guests will not be affected by the by-laws.

PW thanked everyone for coming and stated though there was no voting, there has been progress. He advised that the Committee will be back with the final draft of the by-laws and a new meeting date.

WS asked how would the votes be conducted for those who are not physically present.

PW confirmed that owners will be able to vote by proxy

3. Adjournment

PW adjourned meeting at 1:55 pm
