

Mount Cain Alpine Park Society  
P.O. Box 38  
Port McNeill, BC V0N 2R0  
[www.mountcain.com](http://www.mountcain.com) email: [info@mountcain.com](mailto:info@mountcain.com)

---

March 9, 2010

Island Coastal Economic Trust  
#201 - A - 2435 Mansfield Drive  
Courtenay, British Columbia, Canada V9N 2M2  
**Att: Al Baronas, Chief Executive Officer**  
Fax: 250-334-2414



Dear Sir:

**Re: Mount Cain Alpine Park Society  
2009 "Kapitany Lodge" Hostel/Group Accommodation Project**

Further to our previous correspondence on the above noted matter, Mt. Cain is pleased to confirm that substantial completion has been achieved on the 2009 Hostel & Group Accommodation Project. Thank you again for your approval and financial support for Mt. Cain's continued success.

#### **Hostel Accommodation**

The Hostel Accommodation has now been completed. With a budget of \$240,000.00, Mt. Cain spent a total of **\$256,894.193** on this important upgrade to the resort. Initial invoices were previously provided in August, 2009 and October, 2009. Since then, all additional costs have been calculated in a spread sheet (copy enclosed). The enclosed breakdown is our written report outlining how ICET and CST Funds were spent in accordance with the plans and specifications of the approved application. There are no delays or problems with the project, and the building has been open for business for some weeks now.

#### **ICET 50% Matching Funding**

Pursuant to the Agreements with ICET, I confirm that Mt. Cain has submitted to ICET its expenses in August and October 31, 2009 in order to be eligible for a matching grant of 50% of such expenses, up to \$60,000.00. To date Mt. Cain has received matching funds from ICET of \$37, 933.35 plus \$10,066.65, leaving a 20% holdback of **\$12,000.00**.

#### **Request Holdback of \$12,000.00**

Mt. Cain is currently requesting payment of the balance of the holdback in the sum of \$12,000.00. Please accept this letter as our financial report and written certification that all work has been completed in accordance to the approved

plans and specification of the Work Plan and related documents in the Application and any Additional Documents, as set out in the Letter of Intent and Amendments thereto. Should you require Mt. Cain to provide any additional documents or statements, we would be pleased to do so.

We now enclosed herewith Mt. Cain's FINAL Invoice addressed to ICET, as per your request, for this amount. Matching funds have been committed by CST which we should be receiving in due course (see copy of correspondence from CST enclosed).

Thank you again from all of us at Mt. Cain for your financial support in helping our non-profit organization.

Yours truly,



**Helen M. Brown**  
**Project Manager**

# INVOICE

Mount Cain Alpine Park Society  
P.O. Box 38  
Port McNeill, BC V0N 2R0

[www.mountcain.com](http://www.mountcain.com) email: [info@mountcain.com](mailto:info@mountcain.com)

---

March 1, 2010

Island Coastal Economic Trust  
#201 - A - 2435 Mansfield Drive  
Courtenay, BC, V9N 2M2  
Att: Al Baronas, Chief Executive Officer

## Costs Incurred to Date

|  |                     |
|--|---------------------|
| Staff Building/Hostel<br>(invoices plus PST) | \$256,894.93        |
| <b>Total</b>                                 | <b>\$256,894.93</b> |

ICET to pay 50% thereof,  
Up to maximum of \$60,000.00

|                         |              |
|-------------------------|--------------|
| Previously paid by ICET | \$37, 933.35 |
|-------------------------|--------------|

|                                |                    |
|--------------------------------|--------------------|
| <u>Previously paid by ICET</u> | <u>\$10,066.65</u> |
| Paid to Date                   | \$48,000.00        |

|                 |             |
|-----------------|-------------|
| Holdback Amount | \$12,000.00 |
|-----------------|-------------|

|                                     |              |
|-------------------------------------|--------------|
| Amount being requested<br>From ICET | \$12,000.00* |
|-------------------------------------|--------------|

\*Please make cheque payable to Mount Cain Alpine Park Society

### MCAPS Kapitany Hostel- Group staff accommodation building cost synopsis

| in kind                | Labour<br>9600 not incl in<br>total<br>labour | budget    | materials<br>1575 not incl in<br>total | budget     |
|------------------------|---|-----------|--|------------|
|                        |   |           | materials actual                       |            |
| foundation             | 15,000.00                                     | 10,000.00 | 26,616.21                              | 10,000.00  |
| framing incl siding    | 20,553.34                                     | 20,000.00 | 42,316.25                              | 51,500.00  |
| metal roof             | 4,600.00                                      | 4,500.00  | 5,422.52                               | 8,000.00   |
| plumbing               | 6,241.66                                      | 5,000.00  | 6,094.59                               | 5,000.00   |
| electrical             | 6,000.00                                      | 5,000.00  | 6,073.68                               | 5,000.00   |
| windows                | 2,000.00                                      | 2,000.00  | 5,281.41                               | 10,000.00  |
| exterior doors         | 1,105.00                                      | 1,000.00  | 6,807.49                               | 2,500.00   |
| exterior finishing     | 8,500.00                                      | 8,500.00  | 10,742.99                              | 9,000.00   |
| insulation             | 2,000.00                                      | 2,000.00  | 3,175.00                               | 3,000.00   |
| interior finishing     | 16,000.00                                     | 16,000.00 | 23,252.11                              | 17,000.00  |
| propane fixtures       | 3,556.14                                      | 3,000.00  | 6,693.60                               | 5,000.00   |
| furniture              |   | nil       | 18,449.04                              | 10,000.00  |
| flooring               | 5,000.00                                      | 5,000.00  | 5,413.90                               | 4,000.00   |
|                        | <b><u>90,556.14</u></b>                       | 82,000.00 | <b><u>166,338.79</u></b>               | 140,000.00 |
| simply accting figures | 90,556.14                                     |           | 166,338.79                             |            |

|                      |                   |
|----------------------|-------------------|
| total labour         | 90,556.14         |
| total materials      | 166,338.79        |
| grand total<br>spent | <b>256,894.93</b> |

|               |            |                             |
|---------------|------------|-----------------------------|
| budget totals |            |                             |
| materials     | 140,000.00 |                             |
| labour        | 82,000.00  |                             |
| contingency   | 18,000.00  | 240,000.00                  |
|               |            | <b>16,894.93</b> difference |



Karstary Hostel at Mount Cain











# Mount Cain Alpine Park Society Final Report on construction of an Accommodation Building and T bar Upgrade project at Mt. Cain ski hill.



PO Box 1225 Port Mc Neill, BC V0N 2R0

Mount Cain Alpine Park society is a non profit society that operates Mt Cain ski hill.

Incorporated August 31, 1977

Summary of project objectives.

Tbar up grade project.

During the past few seasons, the volunteers at Mount Cain have been struggling to constantly repair the old t-bar assembly's that transport skiers up the lift. It used a spring recoil system that suffered from fatigue, along with very inconsistent retraction which made it sometimes very difficult for a beginner skier or snowboarder to get up the lift. The hardware is approximately 50 years old and parts are no longer manufactured.

It was brought to the Boards attention that a more modern hydraulic system would alleviate most of the problems and the parts were still manufactured for them.

Statement of completion of project objectives

MCAPS purchased 20 new hydraulic tee's from Mueller Lift Company and used hydraulic tee's from Silver Star Mountain. After installing them on the lower lift, a noticeable difference was present.

Some of the parts had to be manufactured to accommodate the Silver Star tee's to our lifts. After this was completed, volunteers painted and assembled the tee's.

This project was carried out and completed in time for the 2008/2009 season. The lifts ran very smoothly and required very little maintenance during the season. The tee's retract in a very reliable manner, in all kinds of weather, and were instrumental in keeping lift lines at a minimum, as every Tee could be loaded.

Project name:

Kapitany Lodge- Mount Cain group /staff accommodation building

The objective of the staff/group building was first and foremost to greatly improve the health and safety aspects of where the staff is being housed.

The previous building suffered from dampness and with that comes un-hygienic conditions. It was a very old 'camp building' that was transported to Mount Cain many years ago and had long out lived its life. Every year for the past 4 or 5 years, a group of volunteers would spend the better part of a week, trying to get one more year from that old building. It definitely was a concern for the board and much time was spent at meetings discussing it.

The second part of the objective, the group accommodation, was also very much needed. Mount Cain Alpine Park Society offered very little accommodations for a typical group or organization. We often had to turn away groups such as the cubs, schools or other groups, such as avalanche awareness organizations because we did not have the room or sizing for them.

Before the new building, MCAPS offered two cabins and six to eight hostel rooms, depending on how many were needed for staff. These rooms slept either one or two people and the cabins could accommodate up to ten persons. Quite often the groups would average 12-15 persons with all kinds of sleeping configurations required. Groups of 20 or more could not be accommodated.

MCAPS did not have the funds required to tackle a project of this size, so application was made to CST and ICET to assist in funding a group/staff building.

#### Statement of completion of project objectives

In May of 2009, the snow was cleared to level the area for the foundation. The building was designed and cost estimates were done with input from three contractors on behalf of the MCAPS. The design was engineered by Heidema Engineering. MCAPS hired Casey

and Helen Brown to build the project, with Dave Warkentin in the role of MCAPS director in charge of overseeing the project. Construction occurred throughout the summer and fall months of 2009.

September 2009, the AGM workparty day had many volunteers involved in the project sheeting in the walls, roughing in the electrical wiring, and helping out with various other projects on the building.

The snow came much earlier than expected slightly delaying the last month of construction. We had 3 meters of snow fall in a week in late November, so keeping the road open and work areas cleared put the project behind 3 weeks or so.

The building was designed to accommodate staff on the lower floor complete with a kitchen and living area. There is also a washroom area and two large 'dorm style' bedrooms. They have a drying space at the entrance with outside covered storage for their gear.

The staff entrance is at the north end of the building, separate from the group entrance. The staff at Mount Cain have really enjoyed the new accommodation. It was quite a step up from the 'Sayward Shack', a very old and dilapidated bunkhouse that was their only option in past years.

At the opposite end of the building is the group accommodation entrance. Through the entrance there is a spacious room with a full length drying rack along the wall to hang boots, mitts, wet gear, that is ducted from the propane furnace. There is a coin operated shower installed as well.

The second floor has seven separate bedrooms of varying sizes and configurations and washrooms with low volume flush toilets and sink taps with automatic shut offs, to reduce the amount of water consumed. The building is also equipped with an ultra violet filtration system to purify the water in the building. Hot water is provided by an on demand hot water heater.

Going up to the third floor you will find a common living, dining and kitchen space. There is also one more bedroom on this floor. It boasts views of the ski hill and the beautiful surrounding mountains.

The upstairs lounge/kitchen area has granite countertops, and is tastefully furnished with comfy leather couches, and rustic timber dining tables with built in benches that can seat 12 or more each. The kitchen is fully equipped with two full size gas ranges, and fridges. We purchased a complete set of kitchen equipment, pots, pans dishes, cutlery, etc.

The flooring consists of tongue and groove Maple hardwood and slate tile. All the windows are 'Energy Star' rated and have a 'low-E' coating. The bunks are a double bunk on the bottom/single on the top configuration, with drawers underneath for gear storage.

We are very pleased with the overall appearance of the Group/Staff Building. The siding is a combination of cedar shingle, and recycled double tongue and groove treated cedar plank. There are accents of the laminated beams throughout. The interior has a combination of painted drywall, pine tongue and groove paneling and laminated naturally finished beams.

The staff accommodation was completed early December and the group accommodation opened for rental on Dec 28, 2009. It was booked to capacity for most of the ski season.

Project objectives not completed

Some very minor objectives have not been completed, such as re-painting touch ups and a small amount of trim. We also hope to build some ski racks on the outside walls of the building.

Scope or work different from proposal

Due to the nature of the extreme weather environment of this location, the foundation cost increased dramatically to accommodate the change in materials used. Insulated Concrete Forms (ICF Forms) were used in place of standard forms to maximize insulation value in the cold environment. It was considerable cost difference, but it has helped make it a very well insulated building.

Number of people employed during construction

There were 15+ people employed throughout the project, at various times during construction.

We spent \$90,556.00 on labour for this project.

Average per hour wage was \$25.00 which.....

=3622.24 man hours

=90.55 weeks @40 hours a week

=22.6 man months

There was a considerable amount of volunteer labour donated to this project as well.

Permanent new jobs created.

This project in the 2009/2010 season created one new position as custodian. We are hoping to add a part time position as well for next season, as we will be booking the building for the duration of the Christmas season, as well as weekends and Sunday

nights. We did not open for rentals until most of the Christmas season was over this past year.

Economic impact of the project (increase in visitor days etc...)

The new lodge brought in \$16257.00 in rental revenues for the 2009/2010 season. The building was opened for rentals on Dec 28<sup>th</sup>.

Ticket sales/Ski Shop:

Overall ticket sales were down this season due to weather and ski conditions , but weekend passes were up by 38%, - 154 passes at \$83.00 each= \$12782.00. An average of 12 more weekend passes sold each weekend. The ski shop/rental activity was also up by 10% and special event revenues were up by 19%.

It is our opinion is that we can attribute this increase to rooms being rented in the Group Accommodation building.

Kapitany lodge at Mount Cain

| in kind               | 9600 not incl in total | budget           |                        | budget            |        |
|-----------------------|------------------------|------------------|------------------------|-------------------|--------|
|                       | labour                 | budget           | 1575 not incl in total | materials actual  | budget |
| foundation            | 15,000.00              | 10,000.00        | 26,616.21              | 10,000.00         |        |
| framing incl siding   | 20,553.34              | 20,000.00        | 42,316.25              | 51,500.00         |        |
| metal roof            | 4,600.00               | 4,500.00         | 5,422.52               | 8,000.00          |        |
| plumbing              | 6,241.66               | 5,000.00         | 6,094.59               | 5,000.00          |        |
| electrical            | 6,000.00               | 5,000.00         | 6,073.68               | 5,000.00          |        |
| windows               | 2,000.00               | 2,000.00         | 5,281.41               | 10,000.00         |        |
| exterior doors        | 1,105.00               | 1,000.00         | 6,807.49               | 2,500.00          |        |
| exterior finishing    | 8,500.00               | 8,500.00         | 10,742.99              | 9,000.00          |        |
| insulation            | 2,000.00               | 2,000.00         | 3,175.00               | 3,000.00          |        |
| interior finishing    | 16,000.00              | 16,000.00        | 23,252.11              | 17,000.00         |        |
| propane fixtures      | 3,556.14               | 3,000.00         | 6,693.60               | 5,000.00          |        |
| furniture             |                        | nil              | 18,449.04              | 10,000.00         |        |
| flooring              | 5,000.00               | 5,000.00         | 5,413.90               | 4,000.00          |        |
|                       | <b>90,556.14</b>       | <b>82,000.00</b> | <b>166,338.79</b>      | <b>140,000.00</b> |        |
| simply acc'ing ledger | 90,556.14              |                  | 166,338.79             |                   |        |

**total labour** 90,556.14  
**total materials** 166,338.79  
**grand total spent**

256,894.93

budget totals  
 materials 140,000.00  
 labour 82,000.00  
 contingency 18,000.00  
 240,000.00

**16,894.93** over budget

Total funding from all sources

**ICET** 60,000.00  
**CST** 60,000.00  
**MCAPS** 120,000.00 matching funds  
**MCAPS** 16,894.93 deficit covered by MCAPS

ICET has paid MCAPS \$48000.00, balance of \$12,000.00 still to come. (20% holdback)