



# ATLIFIC

## HOTELS

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### ATLIFIC HOTELS HISTORY

Atlific Hotels has been an innovator in the Canadian hotel industry for over 50 years. Founded in 1959, Atlific began by introducing the Holiday Inn brand to Canada. Astutely recognizing the development opportunity of the new hotel chain that was taking America by storm, Atlific opened the first Holiday Inn outside of the United States – *Holiday Inn Montreal Airport Chateaubriand*. With the goal of cross-Canada development, the company's name, Atlific, evolved to illustrate the future reach of its Canadian portfolio from the Atlantic to Pacific.

In 1962, early partners and shareholders of Atlific, Jacques Lalonde and R.J. Adams joined forces to open the second Atlific hotel - Holiday Inn Calgary. As one of only two licensed Holiday Inn Franchisors in Canada, Atlific Hotels continued to open several other hotels, most notably, the world's largest Holiday Inn at that time, the 500 room *Holiday Inn Montreal Downtown*. Atlific continued to grow throughout its early years expanding its portfolio across the country. In the quest for a new challenge in 1972, Adams decided to sell his share of Atlific to partners, Lalonde and Dennis Kral.

In 1977 Atlific grew beyond the hotel industry as it reached an agreement with Wendy's International of Columbus, Ohio to become a franchisor, buying Wendy's Restaurants of Ontario, and forming Wendy's Restaurants of Canada and Wendy's Restaurants of Alberta. Growing rapidly, Atlific operated 80 Wendy's Restaurants in Canada within just five years. In addition to the new restaurants, Atlific owned 6 Holiday Inn hotels in Montreal by 1980 and owned and/or managed an additional 12 hotels across Canada for a total of 3500 rooms.

As the market changed in the late 1970's - early 1980's, Atlific planned for the new economy by shifting its focus from ownership to management, selling many of its hotels and restaurants, but retaining management contracts with each property. Atlific's new goal was to provide a superior level of service to protect and grow the financial interests of hotel owners seeking long term benefits of real estate investment without the concern of day-to-day management. It was this critical step that made Atlific Hotels into the industry leader it is today.

Atlific's success in the late 1970's and early 1980's attracted interest from many other competing brands. In 1983 Atlific decided to expand its portfolio to include the Auberge de Gouverneurs brand and in 1986 the Venture Inn brands therefore ending Atlific's long period of exclusivity with the Holiday Inn brand. These acquisitions brought 16 new properties in to Atlific's management portfolio – until recently, this marked the largest and fastest growth period in Atlific's history. With

both of the new brands entering or nearing bankruptcy, the banks were looking to Atlific for its experience and expertise to turn their businesses around.

After just three years, the Auberge de Gouverneurs brand went from bankruptcy to being traded as a public company. The successful turnaround of both of these brands contributed to Atlific's reputation as an industry leader in rebuilding weakened properties.

In 1985 Atlific formally split into two separate companies: Atlific Hotels, the hotel management company and Wendy's Restaurants. Lalonde remained with Wendy's and became the company's President while the Kral family, under Dennis Kral, maintained majority ownership of Atlific. As majority owner of Atlific Hotels, the Kral family operated the company as a family business continuing to expand the company's portfolio to manage 34 hotels with a total of 4000 rooms by 1993.

Looking to retire in 1997, Dennis Kral made the decision to sell Atlific Hotels to Ocean Properties Hotels & Resorts Ltd. Established in 1950 by Tom Walsh, Ocean Properties began as a family business making it an appropriate fit as the new owner of Atlific Hotels. A resident of North Hampton, N.H., Walsh built his first hotel in Brewer, Maine, in the late 1960's and was also an early franchisor of the Holiday Inn brand in the United States. Identifying the development potential in a less-saturated Canadian hotel market, and recognizing that Atlific had vast market experience, knowledge and an existing Canadian portfolio, Walsh viewed the purchase of Atlific Hotels as the ideal way to expand into the Canadian market. Ocean and Atlific shared two important common factors - family business values and a passion for hotel management. In searching for a prospective buyer, Kral felt strongly about the importance of both of these qualities.

As the owner of three properties in Montreal and one in Winnipeg, Ocean Properties Ltd. expanded the management portfolio of Atlific Hotels upon acquisition. Together Ocean and Atlific continued to develop properties in London, Ottawa, and the Toronto Airport from 1999-2001. In 2004 and 2005 Atlific added the management of Ottawa's landmark Lord Elgin Hotel and the well known Deerhurst Resort to its ever-growing portfolio. Soon to follow in 2006 the newly established Temple REIT approached Atlific Hotels to assume management of the luxurious Temple Gardens Mineral Spa Resort in Moose Jaw, Saskatchewan. This pivotal relationship would lead to management contracts with five more TREIT properties in Fort McMurray, Alberta and continues strong today.

Since the 1990's, 2007 and 2008 have become the most significant growth years for Atlific Hotels as it continued its history of bringing new brands to Canada with the opening of Hotel Indigo Ottawa. In 2008 several new properties opened including Executive Suites Garibaldi Springs Golf Resort, Walnut Beach Resort and the company's first conference centre – Nanaimo B.C.'s Vancouver Island Conference Centre.

"Recent growth is attributed to strategic partnerships with third property owners – keeping their returns high means they choose us first as they invest in new properties. Success has largely been organic, we grow as our partners grow based on solid results, trust and the company philosophy that we manage hotels as if we own them," stated Philippe Gadbois, senior vice president, Atlific Hotels. In May 2009, Atlific celebrated the opening of its largest hotel to-date with 454 rooms, Le Westin Montréal.

Today Atlific Hotels owns and/or manages over 40 properties from Newfoundland to British Columbia with 6000+ rooms and more to come. Atlific has always operated as a family company and treats each property with a pride of ownership. With 50 years of experience managing well known Canadian hotels, resorts, and extended stay properties, Atlific Hotels has built a reputation for best in business accounting reporting, exceptional sales and marketing programs and sound operational systems. Atlific Hotels' parent company, Ocean Properties, Ltd. operates over 100 hotels throughout the United States. Together they make up the fifth largest privately owned hotel

management company in North America, operating independent hotels and resorts as well as internationally recognized hotel brands such as Marriott, Hilton, Westin and Holiday Inn.

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