

MINUTES OF ANNUAL GENERAL MEETING

STRATA CORPORATION KAS 2662

“Pemberton Valley Lodge”

HELD: Thursday, February 24th, 2011 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)
Dennis Hilton (Strata Council President for the Adara Hotel)
Rob Moore (Whistler Resort Management Ltd.)

The meeting was called to order at 7:00PM after it was ascertained that a quorum was present in person or by proxy. Carl Van Noort was elected Chair. Rob Moore was asked to facilitate the meeting.

1.0 **Approval of the Notice of Meeting dated February 1st, 2011** – It was moved, seconded, and **carried** to approve the Notice of Meeting as circulated.

2.0 **Approval of agenda:** The agent noted an amendment to the “Reports” section of the agenda. Specifically, that there were no representatives from Bellstar present to speak as per agenda item 7.4. It was reported that Dennis Hilton from the Adara Hotel had been invited to speak to this point. It was then moved, seconded, and **carried** to approve the agenda as amended.

3.0 **Approval of minutes of AGM held January 25th, 2010** – It was moved, seconded, and **carried** to approve the minutes as presented.

4.0 **Reports**

4.1 **Chairperson’s Report:** Carl reported to those present that the hotel, thanks to David, Laura, and team, remained in very good shape and that owners should be comforted in the knowledge that their assets are being well looked after. 2010 had been a prosperous year, reporting good revenue largely due to the success of the Olympic bookings. As predicted, the post Olympic period showed a slow-down. 2010 also saw the forging of some new relationships including a fostering partnership with the Adara Hotel in Whistler as a fellow member of the Bellstar family. Things seemed to go smoothly until the autumn which eventually brought the resignation of Bellstar. Since that time, the Lodge and the Adara have been working together to find a path to an alternate form of Hotel Management. There is still work to be done to finalize a proposal to the ownership in this regard. All in all, a good year for the Lodge and owners reporting positive returns on their investments.

4.2 **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, 2010 to December 1st, 2011. The annual premium for this period is \$19,446.00 based on an appraised property value of \$9,860,527.00. Coverage in the policy includes a \$3 Million Umbrella Liability and \$13 Million Comprehensive Blanket Coverage for Equipment Breakdown. Copies of the Lodge insurance policy were made available to those present. Any owners wishing a copy of the certificate of the policy detailing the coverage breakdown may contact the Strata Agent.

- 4.3 **General Manager's Report:** David Mackenzie reported to those present that the big event over the past year was certainly the Olympics which proved to be the easiest operational period for the hotel. The period created stronger relationships with the RCMP and their staff. David noted that the owners can generally expect that the annual Owners' Weekend will be the 3rd weekend of October and that it is scheduled for October 21st and 22nd this year. David also noted that the Lodge had made some enhancements to the existing owners' statements software program and that details as far back as 2 years can be retrieved. The new software should also send email statements to owners. Owners can now enter reservation requests through the reservation screen when they login. Owners should note that there is an administration fee for required paper trails for owner statements. David reported that the Lodge continues a commitment to "go green". The garbage compactor that was installed has significantly reduced the number of pick ups required. The Lodge has signed up for a soap recycling program that has proven to be very successful. The staff has been diligent in promoting and executing environmental initiatives. David reported that there is continuing movie crew business at the Lodge and over the course of the recent President's Day weekend, the movie cast and crew for the Twilight series had booked the hotel. David reported that the hotel maintenance program is always moving and includes product enhancements such as the installed curved shower rods, iPod docks, and new flat panel TVs. David reported that the completed on-site laundry facility at the Lodge had successfully led to other accounts such as the Adara Hotel and some local restaurants. This has added nicely to the Lodge revenue stream. David noted that the local disaster concerns have actually been good revenue generators. The Lodge received bookings for fire and emergency response crews including crews and workers for the major landslide that occurred in the valley. Looking ahead, major refurbishment projects this year include the exterior painting of the building. The deck and railing painting had been completed the previous year and the roof remains in good shape. After a question from an owner, David reported that the room mattresses have a life expectancy of 8 to 10 years. David reported that although there had been an insurance claim due to a burst fire sprinkler pipe in January, there was minimal interruption to Lodge business. David then yielded the floor to Laura Arnold who gave a report regarding some of the Lodge marketing and booking initiatives. Laura reported that there had been other successes over the past year other than the Olympics. These included bookings for weddings, movie crews, golf packages, and construction crews. There had been a steady pace throughout the rest of the year despite reports of an increase in tourism for same day visits.

The marketing team has been fostering a “word of mouth” relationship with Intrawest and has been targeting the leisure markets and the local area businesses. Laura reported that there had been a positive return of information with an internet marketing company that the Lodge was now working with and there has been some good response from the Lodge Facebook and Twitter sites. The relationship with the Adara in Whistler has also had benefits with a new marketing partnership. Marketing focuses will remain targeting with security staff, film crews, and government bookings as well.

5.0 **Review of the Financial Statements for the Fiscal Year Ending December 31st, 2010:** 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 surplus of \$2,743.71 but also with a deficit in the Retained Operating Fund of (\$23,056.77). 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.

6.0 **Review and approval of the operating budget for the fiscal year ending December 31st, 2011:** The agent reviewed the draft budget line by line. Carl and the other members of the Council addressed the specifics regarding the proposed line item for Council Remuneration. Carl explained that the members of the Strata Council, in efforts that transcend the regular affairs of the Strata Corporation, have committed significant time and resources on behalf of and in the best interests of the ownership. An owner made a motion to amend the proposed budget by increasing the Legal line item by \$2K and to balance the budget by reducing the Council Remuneration line item by \$2K. The motion was seconded and was then put to a vote. The results of the vote determined 8 in favor, 25 opposed, and 2 abstained. The agent declared that the suggested amendment was therefore **defeated**. It was then moved, seconded, and **carried** to adopt the proposed budget as presented (32 in favor, 2 opposed, 1 abstained).

7.0 **Election of 2011 Strata Council:** The agent opened the floor to nominations for Strata Council. After receiving 8 nominations, the agent reported that the Strata Property Act allowed a maximum of 7 Council members. After a blind vote had been conducted and verified by the agent and Laura Arnold, the following owners were appointed by the owners present to the Strata Council.

**Mickey Patryluk
Cora Salvador
Nancy Cavin**

**Paul Lermite
Kristin McCahon**

**Carl Van Noort
Larry Arabski**

Carl invited Ron Crawford to act as an alternate member for the Council which was agreed to by Ron and the owners present.

8.0 **Other Business:**

8.1 Bellstar Resignation: Carl reported to the owners present that Bellstar took over the Hotel Management Contract for the Lodge from Atlific approximately 2 years ago. John Zwickel and Kelly Tingley were the Bellstar representatives that

oversaw the management contract transition and were the operational managers for execution of the agreement. Kelly left Bellstar late in the spring of 2010 and John left as well before the end of December of 2010. Over the course of time, Bellstar changed their mode of operation which began to cost the Lodge in a number of ways. The Adara Hotel also began to experience some related Bellstar difficulties and issues. These issues were broached with Bellstar, which could not satisfactorily explain or address them. At a meeting held on January 22nd, 2011 an agreement could not be found to resolve these difficulties. Bellstar then gave their official resignation from the Pemberton Valley Lodge contract and their last scheduled day of management is April 30th, 2011. Some of the issues with Bellstar included charges against the Lodge for services that should have been included in their management fees. Charges for a central reservation system were being imposed against the Lodge that were not included in their original management agreement. Dennis Hilton, Council President for the Adara Hotel was then introduced. Dennis detailed a proposed management system that would benefit both the owners of the Adara and the PVL which essentially would eliminate the need for a third party management company. After discussions and questions including insurance stipulations for self-management, it was noted that a Special General Meeting of the owners of both Strata Corporations would be required as soon as possible to have this new management system approved. An owner requested that, in the future, under the new management system model, the Strata Council consider making an effort to provide owners with audit and financial statements for tax purposes by the end of February.

8.2 Owner Contact Information: An owner asked the agent to review the WRM owner contact sheet regarding a restriction on the request to have all Strata information distributed by email.

8.3 Council Recognition: An owner directed the agent to ensure that a sincere appreciation for all of the Strata Council members' hard work over the past few years be included in the minutes and distributed for recognition.

8.4 Strata Website Information: 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

There being no further business, the meeting was terminated at 10:00PM.

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