



The Landing
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OVERVIEW

Club Intrawest is a private vacation club made up of a small, tight-knit community of Members. These Members share ownership of beautifully crafted Vacation Homes across Canada, the United States and Mexico. Members currently share ownership of nine Club locations in:

- Whistler, British Columbia
- Vancouver, British Columbia
- Panorama, British Columbia
- Ucluelet, British Columbia
- Blue Mountain, Ontario
- Tremblant, Quebec
- Palm Desert, California
- Sandestin, Florida
- Zihuatanejo, Mexico

Club Intrawest consists of a number of Vacation Homes held in trust on the Member's behalf. On December 31st, 2014, 484 Vacation Homes were held in trust by a third-party public trustee. The number of Resort Points each Club Intrawest Member owns determines their proportionate ownership share in this trust. Members also have voting rights relating to the number of Resort Points owned.

Club Intrawest is a non-profit company registered in the state of Delaware, USA. It is governed by an elected Member-based Board of Directors which is responsible for the overall management and operation of Club Intrawest.

The Board of Directors has hired Intrawest Resort Club Group or IRCG (a division of Intrawest ULC) to oversee operations as the manager of the Club.

Intrawest provides the following services:

- Operate and maintain the Club locations including hiring staff and providing reception, housekeeping, maintenance and all other on-site services;
- Management of a Capital Reserve Fund to cover the cost of refurbishment of common areas and Vacation Homes;
- Provision of a reservation system and the hiring and training of Member Services Representatives;
- Preparation and management of Club budgets and associated financial reporting;
- Management of the Resort Points, including Membership and Reservation Guidelines and Accommodation Calendars;
- Resort Dues invoicing and collection; and
- Development of communication materials such as the Member Web site, Compass (Member magazine) and Club Currents (online newsletter).

Eligible Club Members can choose to join Intrawest's unique partner exchange program, ExtraOrdinary Escapes.

Membership in ExtraOrdinary Escapes provides access to more than 6,500 partner properties around the world. Members can experience leading destinations like Hawaii, Orlando, Miami and Las Vegas with vacation clubs like Hilton Grand Vacations Club,



Interval International and the Disney Vacation Club or choose from the hand selected Hotels & Resorts collection with destinations like New York, Napa, Victoria, London and Rome. Members are also able to sample from resort homes at IntraWest resorts and beyond or sail the high seas on a cruise vacation.

GOVERNANCE

The Club IntraWest Board of Directors is responsible for the overall management and operation of Club IntraWest. The Board reviews and approves the annual Club budget and receives regular reports from the manager. The Board consists of five Club Members who are elected for three year staggered terms. The current directors are Trevor Bruno, James Orr, Robert Reyes, Kenneth Smith and Jane Zsigmond. The current Independent Director is Mr. Kenneth Smith. Mr. Bruno and Mr. Reyes are employees of IntraWest ULC and Ms. Zsigmond is an employee of IntraWest U.S. Holdings Inc. Mr. Orr is not an employee of IntraWest ULC.

A sub-set of the Board, the Club IntraWest Finance Audit Committee, consists of three Board Members, Kenneth Smith (chairman), James Orr and Trevor Bruno who review the financial statements with the Auditors of Club IntraWest along with an invited representative of management.

The Club IntraWest Advisory Committee is a group of 9 Club IntraWest Members who act as representatives of the entire Membership to provide input on issues faced by Club Management (IntraWest) in the operation of Club IntraWest. The make-up of the Committee is carefully monitored to ensure it is representative of the general Membership with respect to geographic location, size of Membership, length of Membership, family status and recreational interests. The Advisory Committee has provided input on many topics, including:

- The Club's Pet Policy
- Reservation Guidelines
- Club IntraWest charitable program
- Membership Resales
- Development of online Member forum
- Housekeeping standards
- Online Reservations and changes to the Member Web site

MEMBERSHIP PROFILE

As of December 31, 2014 the Club consisted of 21,991 Memberships. Members are from over 70 different countries with the majority of Members living in North America. 55.8% of Members are from Canada, 37.6% from the United States while International Members make up the remaining 6.6%.



2014 IN REVIEW

2014 was an exciting year for Club Intrawest as we celebrated the Club's 20th Anniversary. What began as a handful of Vacation Homes in Whistler in 1994, which at the time was known as the Intrawest Resort Club at Blackcomb, has grown to 9 Club Intrawest locations in three countries plus hundreds of other vacation options through ExtraOrdinary Escapes. To help celebrate this milestone, a number of events were held this past year at the different Club locations and it was rewarding for us to celebrate this anniversary with Members and their families.

In what turned out to be a great honor for the Club's 20th anniversary, Club Intrawest was awarded with the prestigious American Resort Development Association's (ARDA) Circle of Excellence award for Excellence in Customer Service. According to ARDA, the "Circle of Excellence awards honor those that have attained the very highest level of excellence in the resort industry and whose accomplishments and dedication spur the industry to new heights".

This past year also saw the introduction of Club Intrawest – Ucluelet. We were very pleased in 2014 to introduce Members to the rugged west coast of Vancouver Island with the opening of the Club's ninth location. Member response has been very positive with many commenting on the natural beauty of the area coupled with the comfortable and inviting Vacation Homes. The Club also grew at Sandestin and Blue Mountain where renovations allowed for the conversion of space to additional Vacation Homes which were made available for Member travel in 2014.

Part of belonging to a Club is being part of a community and we worked more in 2014 to help connect Members through a series of special Member trips. Palm Desert hosted both a Desert Golf Tour and Club Yoga events and Sandestin hosted its first golf week. Other popular single day events included Poolside Nachos & Sangria at Tremblant, Oyster Shucking in Ucluelet, Whistler wine tasting and Sandestin's world famous 4th of July Shrimp Boil.

In reviewing Member feedback and demand for certain Vacation Home types in Palm Desert, Club management made some changes to the 1-Bedroom Terrace Vacation Homes. A third of the 1-Bedroom Terrace Vacation Homes became designated as 1-Bedroom Terrace Premier Vacation Homes. The Premier Vacation Homes all have an expanded private outdoor sitting area as well as an outdoor shower. These Vacation Homes have always been in high demand and Members have often requested to be guaranteed these particular ones. By creating the new Vacation Home type, Members can now be confirmed directly into one of these Vacation Homes at the end of the building with the larger outdoor living space. There is a slight increase in Resort Point values for these Premier Vacation Homes and a corresponding decrease in values for the standard 1-Bedroom Terrace Vacation.

MEMBER SATISFACTION

Feedback is received from Members through the post stay survey program that is sent to each Member by email upon their return from their Club Intrawest and



ExtraOrdinary Escapes vacations.

Response rates for these surveys are typically in the 20% range. In 2014 Club Management received just over 4,600 completed surveys from Members regarding their Club Intrawest vacation. Overall, the results show that Members are very satisfied with their Club vacations. Highest scores were in the area of telephone reservations service from Member Services and assistance from the Member Reception teams at the Club locations. Lower scores come in the area of Vacation Home condition. Club teams are focused on ensuring that appliances, electronics and fixtures are all in working order, especially as our Club locations age. For the question "Overall, how satisfied were you with your Club Intrawest experience?", 94.2% of Members responded that their expectations were either met or exceeded, which represents a 1% increase from the previous year.

VACATION HOME UPGRADES

Each year, 16% of Member's Resort Dues are allocated towards the Club's Reserve Fund. This fund covers the ongoing costs of the refurbishment of common areas and resort accommodations owned by the Club. Here is a list of the primary upgrades that took place in 2014.

Club Intrawest — Whistler

- Completed the installation of air conditioning in all Vacation Homes
- Equipment installed to provide HDTV reception
- Replaced the Mountain Beach pool deck

Club Intrawest — Panorama

- Completed interior updates of Riverbend Vacation Homes including carpet, countertops, paint, plumbing fixtures and tile

Club Intrawest — Tremblant

- Began a program to upgrade all counter tops from laminate to solid surface
- Continued program to replace the Vacation Home carpet

Club Intrawest — Palm Desert

- Added a BBQ to the Resort Center pool area
- Continued program to convert to hot water on demand system

Club Intrawest — Sandestin

- Upgraded the telephone system to improve reliability
- Continued program to re-upholster the sofas

Club Intrawest — Blue Mountain

- Upgraded the telephone system to improve reliability
- Converted the kitchens in the 1-Bedroom Vacation Homes from a 2 burner gas cooktop to a 4 burner gas range

Club Intrawest — Zihuatanejo

- Completed program to replace all mattresses
- Finished project to paint the interior of all Vacation Homes



EXTRAORDINARY ESCAPES

The ExtraOrdinary Escapes program continues to focus on making the reservation process easier for Members. Much of the program growth continues to focus on providing Members with vacation options that can be booked online. In addition to the complete Interval International collection as well as the 13 Hilton Grand Vacations Club locations, Members can book an additional 40 Hotel & Resort properties directly through Reservations Online.

Since its launch in June of 2012, the Interval International collection has grown in popularity with Members of ExtraOrdinary Escapes. In 2014 Members booked over 3,400 Interval vacations and cruise itineraries. Members have enjoyed the online access to booking reservations and great value for their Resort Points. On average, a 7-night stay in a 1-Bedroom was 75 Resort Points and a 2-Bedroom was 95 Resort Points. Some of the most popular destinations last year were St. Maarten, Cabo San Lucas, Hilton Head Island, Hawaii, Orlando, Palm Desert and Scottsdale.

MEMBER SERVICING

The Member Services Team is comprised of up to 30 Member Services Representatives and support staff who are dedicated to planning vacations for Members. With one call Members can make Club, ExtraOrdinary Escapes and Getaway Time Reservations, renew ExtraOrdinary Escapes Memberships, bank Resort Points, book flight through Club Travel, pay Resort Dues, and purchase additional Resort Points. Member Services Representatives are experts on providing Members with great vacation ideas and recommending how best to use their Membership.

In 2014, Member Services answered over 55,140 phone calls and responded to 14,412 emails. These contacts resulted in Members making 45,389 Club IntraWest and ExtraOrdinary Escapes reservations. The average number of contacts per Member continues to decrease each year as more Members take advantage of Reservations Online for their vacation planning. In 2014 70% of Club IntraWest Resort Point reservations and 75% of Getaway Time reservations were made online. There has also been a dramatic increase in the number of ExtraOrdinary Escapes reservations booked online due to the addition of Interval International and their real time reservation web site.

FINANCIAL REVIEW

BALANCE SHEET

The Club continues to be in a strong financial position with assets of over \$60 Million and Members' equity of \$15.7 Million. Assets consist primarily of 2015 Resort Dues collected and receivable and Capital Fund investments. The Club investment policy requires the overall portfolio in the reserve fund to have a minimum "A" credit rating and the overall portfolio in the operating fund to have a minimum "AA" credit rating. Investments are not to hold positions of greater than 7 years to maturity, and have no corporate holdings greater than 5% of the market value of the entire portfolio. The Club holds accounts in three currencies which were held by custodian Fidelity Investments, and managed by Rainier Group Investment Advisory, LLC. These accounts are segregated



between the capital fund and the current year's Resort Dues. These investments are reported on the balance sheet at current market value. At March 31, 2015 the 2015 Resort Dues were 95% collected.

CONSOLIDATED STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN FUND BALANCES

In fiscal 2014, there was a \$304,234 deficit in the Operating Fund, and a \$1,453,675 surplus in the Capital Fund.

OPERATING FUND

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations. The operating fund has a current year deficit of \$304,234 which includes foreign currency gains of \$791,250. This current year deficit was partially due to legal expenditures in 2014 which were budgeted in prior years related to the ongoing GST tax dispute. This dispute with the Canada Revenue Agency was in court in late 2014 and early 2015 and we are awaiting the outcome. Additional projects were also undertaken this year to maintain and improve the quality of the Club, contributing to the loss from operations. Some of these additional projects included new alarm clocks with integrated charging stations, design work for an update to the member web site, resurfaced hot tubs in Tremblant and additions to kitchen utensils to bring consistency across all Club locations. These projects were identified as items that would improve the Member experience and while not budgeted to be completed in 2014, they were undertaken with the support of the Board of Directors.

CAPITAL FUND

The capital fund reported an excess of revenue over expenses of \$1,453,675. During the year the Club spent \$4,395,085 on capital projects. Some of the projects are outlined in the Vacation Home Upgrade section of this report.