

Konrad Kawalec commented that one of things that a number of members have raised is that different classes of members have different votes. This documentation is making that clear.

Robert Reyes stated that the initial mailing was just an announcement that typically goes out, with more formal correspondence to be provided prior to the start of the election.

Konrad Kawalec commented that in respect of director bios, another question that members had been asking is that incumbents are listed out of alphabetical order. Konrad stated that this is not normal for board elections and asked if this will be changed.

Robert Reyes indicated that the notice was prepared consistent with past practice. Mark Nuzzo indicated that it is common in the industry to list incumbents first.

Konrad Kawalec again asked if the Board can change to update this and make it alphabetical.

James McBeath noted that there is no requirement in the Bylaws and Declaration one way or the other.

Mark Nuzzo stated that the industry does it this way as respect to those on the board, and that 90% of boards he is involved in list incumbents first.

James Orr stated that he is ambivalent and that he doesn't believe it will change the voting behaviour of members. As such, he doesn't see that it needs to change.

A vote was held on the question of keeping the documents as presented with incumbents listed first – 4 directors voted yes. 1 no (Konrad Kawalec)

4. Finance and audit committee report – The Finance and Audit Committee reported to the board.
 - i) Due to the personnel turnover in Vancouver and Las Vegas, KPMG is not ready with the completed Audited Financial Statements. They expect it will be another few weeks. The Committee expects the final Audited Financial Statements will be available for approval by the Board and distribution before the deadline.
 - ii) the Capital reserve investments and currency exchange update –It was noted that the Committee needs to continue to monitor the strategy as things can change constantly. The Committee will continue to monitor the strategy on a regular basis.
Capital Investment – the Committee is keeping an eye on this too given government interest rate statements and will continue to advise the Board. The Committee is moving the portfolio to a more defensive position.
 - iii) Capital Investment Management Company – The last change of the management company was due to a buyout of some of the employees who went to another company, Fulcrum Capital. The Committee feels that we are not getting the service from Coldstream Capital, the current management company, as the Club is seen as a small fish. The Committee had a presentation from Fulcrum Capital, and is

recommending to the Board that the Club move all capital investments to be managed by Fulcrum Capital.

It was moved by James Orr and seconded by Konrad Kawalec to switch the Club's management of capital reserves and operating reserves from Coldstream Capital to Fulcrum Capital (Washington State), effective immediately. - Approved.

- iv) James Orr advised the Board that it is common practice in organizations such as ourselves, to have an outside investment analyst consultant to oversee the investment management. James Orr is recommending that Ken Smith of Traner Smith provide such service. This service would be paid for by Fulcrum Capital and not the Club, so there is no extra cost for the Club.

Maria Kalber asked how long he would act in this role?

James Orr advised that it would be until the Club no longer requires him.

Konrad Kawalec sought clarification that Fulcrum is to manage the Club's capital and operational reserves, and that when dues are collected in November, the money is invested rather than sitting in a bank account, to maximize income without risk to the funds?

Robert Reyes and James Orr confirmed that this is correct

It was moved by James Orr and seconded by Maria Kalber that the Club appoint an outside oversight investment analyst, that person being Ken Smith of Traner Smith, at the cost of Fulcrum, which appointment will be in place until the Board decides otherwise – Approved.

- v) James Orr advised that the Finance and Audit Committee receives reserve and capital expenditure reports monthly, and reports quarterly. James noted that they had not seen any discrepancies that are outside of the minimum allowance or otherwise expected from the budget. The Finance and Audit Committee quarterly report will be provided once available.

Konrad Kawalec advised that when talking to KPMG this morning, it was noted that they used to undertake an audit of points every two years. KPMG proposed to do an audit in 2016 but the Board did not request one to be done. Konrad noted that with the push to have more board transparency, he propose that a points audit be done.

Konrad Kawalec moved and it was seconded by James Orr that that the board procure from KPMG an inventory points audit of the Embarc Owners Association, and that the report be published on the website. - Approved

5. New Business

- i) James Orr provided and reviewed the Task Force report with the Board
Konrad Kawalec noted that members of the Facebook group had mentioned something of this nature was worthwhile and they would like to have some input. Konrad stated that the Board should consider this as they are volunteers and so far all research is being done by the manager.

James Orr noted that this was an interesting idea but noted that: 1-the Club already has an advisory group made up of volunteers; 2- he likes the idea of volunteers presenting ideas, but that the any suggestions selected need to be demographically correct and in

the mandate of what task force is doing. As such, James Orr recommends that the task force members flesh this idea out, with the view to having individuals contribute.

- ii) Konrad Kawalec noted that he was aware that a member has commenced the first steps of a class action law suit in Quebec. Konrad understood that this has been certified and can go ahead to full proceeding. He also understood that the action is against Intrawest ULC. Konrad asked what the board's position on the impact to the Club is.

James McBeath noted that the Club hasn't been served with any documents related to this and so there is nothing for the Club to do until served, which may not happen. If the Club is served then the Club will have to respond, but until then there is nothing for the Club to do.

Konrad asked if there had been any change to DRI's sales practices since the purchase?

James McBeath stated that he didn't know as he doesn't advise or act for DRI.

James Orr believed that there may have been some changes (in Quebec only), including a couple of documents to clarify that Club points are a commodity purchase

- iii) The Board had a discussion on use of Executive Session – Konrad Kawalec stated that a number of members had said to him that the board needs to be more transparent. He noted that the GST discussions of the Board back in September made him realize why there is a need for Executive Session and why those minutes are not distributed. Konrad is keen for the board to be more transparent. He noted that some members have pointed out that there is no record that the member questions posed were discussed or what the response was and the responses were only sent to the members who submitted the questions.

Robert Reyes said that was incorrect. The response to the questions was included in the published minutes.

Konrad thanked Robert for the clarification. Konrad stated his concern that the independent board members' questions are not being identified and responded to publicly. Konrad proposed that all independent member questions be set out in the public portions of the minutes and published on the agenda.

Robert Reyes stated that the Board has to be careful about listing items in the agenda if the question contains personal information, involves litigation, or contains other items of a similar nature. When items get published the Board does not have any control as to what happens with that information and what further publication or disclosure may occur, so the Board must be careful.

James Orr stated that he understands clearly what Executive Session is used for and why. Having said that, he believes that the Board has to examine what was discussed and what can be made public. So, at the end of every Executive Session the Board should consider what may be disclosed.

Maria Kalber indicated her support for that.

Mark Nuzzo stated that: 1. Any board member can call for Executive Session, and then once in the Executive Session, the parties can then determine what can and what cannot be disclosed; 2. The general common sense approach is that each member of the Board has a fiduciary responsibility to the membership and he doesn't draw a line between independent and declarant directors. Every board member is in a privileged position and are here to act in the best interest of the membership as a whole, not

individuals, small groups, or the declarant. The Board should go to counsel when required, and if the Board puts limits on the ability to use Executive Session then problems will arise.

TELEPHONE CONFERENCE CALL DISCONNECTED. NO BOARD DISCUSSION DURING THAT TIME.

Konrad Kawalec summed up the discussion prior to the call being disconnected that, sometimes some of the items the Board discusses, including what Konrad or James bring up, will go into Executive Session, and legal counsel will then advise the Board on what can be disclosed. We are representing members as a whole. Konrad was happy that Executive Session is being used in an appropriate manner. Konrad supports the manner in which the Board is being more transparent and dealing with Executive Session. To those members that have contacted me and feeling that Independent board members are not being heard, this is not borne out by the facts.

James Orr concurs on that point.

Konrad Kawalec wanted clarification that there are two independent board members, but one is voted on by DRI. Can counsel explain why they are referred to as Independent? James McBeath noted that neither of the independent members of the board are held by someone who is a Declarant or Manager employee or otherwise connected to the Declarant, and so the Declarant holds no sway over them, meaning they are free to make their own decisions without pressure from the Declarant. As such, they are independent board members.

- iv) It was moved by James Orr and seconded by Konrad Kawalec that the general session be closed and the Board meeting go into Executive Session - Approved

Board went into ES at 2:10pm.

Following the Executive Session and there being no further new business, the meeting adjourned 4:03pm.