

**Mount Cain Alpine Park Society
Board of Directors Meeting
Saturday, February 27th**

Attendees:

Directors:

Tony Madsen
Jennifer Lash
Dean Davidson
Peter Knott
Shauna McConnell
Ed Jackson

Guests:

Cindy Adams

3:30 Call to Order
3:30 – 3:45 Approve agenda

Adoption of Minutes from January 2010 meeting

Move: Dean Second: Tony

4:30 – 4:45 Lodges:

- Mt Cain Lodge rental agreement
- A tourism operator wants to bring 20 people up here on March 8 for 4 nights to take them touring. He has 5 million liability for guiding and instruction. We have coverage for the lodge. They do not have much money but he want to do it annually
- Suggested rate is 250/night x 4 =1000.00 plus GST..
- They will need the generator for an hour in the morning and 2 hours in the evening.
- will be here during the week (he can be doing things in the shop). He will not be working 8 hour days. Cindy will let the insurance folks know about it.

Be it resolved that the Mt. Cain Lodge be rented March 8-11 to a guiding/tourism outfitter.

Move: Pete Second: Tony

- We need to get a better sense of the fuel consumption so we can make sure we are covering our costs through rental agreement. Dean will measure fuel consumption on a weekend so we can make accurate assessments.

- After recent events there is concern that Sharon is dealing with activity at night without support from a Director. Sharon says that in most cases things are fine and she is not too concerned. She now has a radio so she can call Director on Duty if there are problems.
- Kapitany Lodge – family has been invited – some have agreed to come. The dedication will take place on Monday April 5th
- Furney Distributing donated 80 feet of hose reel for the Big Shop — they have requested 10 day passes

Be it resolved that Furney Distributing be given 10 day passes in return for the hose reel.

Move: Pete Second: Ed

3:45 – 4:00 Financial Statements

- General discussion on the financials. Currently doing well-more operating days
- Will put the work on the groomer to the RD repayment
- Special thanks to Wendy and Cindy for managing the books and preparing the report
- Please get all invoices and expenses to Wendy ASAP so they can close the books at the end of April
- Discussion re RV Park payment schedule

4:00 – 4:10 Minutes: There has been a request that minutes be available to anyone that wants to read them We should look into the minutes being available on the website. In the meantime, minutes will be put in the binder in Lodge.

4:10 – 4:30 Business arising from minutes:

- Dean: Has the radiator on the D8 been fixed? yes
- Cindy: Insurance for people hiking into the backcountry? If they are going to walk up the mountain in bounds then they need to buy a ticket. We need signs explaining this.
- Dean: Peter Curtis and staff informed about policy for bus riders? yes
- Cindy: Can staff and directors use personal snowmobiles on Mt Cain issues? Gougeon Insurance said this is not problem if we send her a list of the skidoos that will be used to do volunteer matters on the hill and she will simply add them to the MCAPS equipment list for liability purposes and we will then be covered under their policy as well
We have to do is identify which skidoos this will apply to and send the following information to Gougeon:
 - Make /Model and Serial number of the skidoo
 - Name of the person who owns the skidoo and whether they are a Director or a Volunteer
- Jen: Send snowmobile policy to Tony - done

- Tony: Get Don to write letter to Milligans — yes
- Tony: Will talk to RCMP about what the consequences are for those who break Mt policy – did not because hopefully we don't need to do this
- Tony: Final sign off on the structural integrity of Kapitany Lodge –TBD
- Cindy: Underage drinking policy sent to parents — done

4:45 – 5:00 Special Events:

- Kidsfest –Jen send note to Darren & ask him if he is ready. Things are on track. Jen will interview Darren and build booklet Task list before 2010/11 season
- Cain Cup: Darren taking this on
- Staff Appreciation Day – April 5 – will need ski patrol –
 - Tony will talk to Devin,
 - Dean will make a list of liftees:
 - shut down hill at 11:30 – 12:00
 - lodge dedication (Mrs Kapitany and daughter) at 11:30
 - BBQ lunch for everyone – each directors acknowledge their staff and volunteers – Tony will check with Cindy on amount of food needed. Bea will shop. TheN put mountain to bed
 - Everyone send list of things that need to be done to Tony

5:00 – 5:15 Report from Gougeon - signage needs some work and some work needed on Ts. Aside from that, everything was fine. Dean will work with Devin on signs needed for 210-2011

5:15 – 5:30 Equipment

- New fixed mobile radio for groomer – 700.00

Be it resolved that 700.00 be approved for the purchase of fixed mobile radio for groomer.

Move: Pete Second: Ed

- Staff/volunteers have been driving snowmobiles on Ridge Run: - Dean will talk with is staff, Tony will email Devin, suggest they have training for next year and only those approve drive the

5:30 – 6:00 The next 6 months: -

- What do we need to have done by September (eg improve kitchen, work on lodge, budget. road work, painting towers, general list)
- Budget: are there any new expenses that we are expecting on 2010-2011
- Meeting schedule:
 - May –consult with Sharon - Kitchen/Lodge/Staff
 - June - Budget
 - July – meeting if necessary
 - August - no meeting
 - September – meeting before AGM
 - November – prep for season

6:00 – 6:15 Directors Report – see below

Ski shop report:

- Weekend rentals are down
- Schools going well
- Needs to replace 50 sets of skis and snowboard board boots

Other – see below

Next meeting scheduled April 2

6:45: Adjournment

Directors Report: Peter Knott

Area of Responsibility: Buildings

Kitchen: sink has been lifted and sealed, new taps, new extended spigot installed, new electric outlets wired into kitchen/ lodge and front porch, fridge brought up for front porch. Hot water to kitchen turned up to max to give hottest water possible for dishes. New shelving installed and painted above kitchen sink. Rick Adams has been instructed to vacuum the lodge main area when necessary and bill us for time, this is to address complaints about lodge not being kept clean enough by kitchen staff.

Lodge: ladder has been installed on glass below fire ladder at back of lodge.

Key ring cut for D.O.D, cost 45\$ this open all buildings, DOD is to have ring kept on hand for building access.

Water system holding pond: pickup and overflow pipes have been total rebuilt so as to be able to withstand ice/melt cycles, floods etc. Mountain had lost water to all buildings on several weekends this winter because of old broken down system.

New accommodations building: granite countertops now in, total cost to mountain 2400\$. This will be covered with a credit for lift tickets and/or rental accommodations. New tables built and installed upstairs. cost? Will ask Lance Karsten.

New ticket booth/ conference room near completion, thanks to the help of many people.

Snow blocking gen set doorway in shop, message forwarded to Campbell to keep it clear after snowfall when plowing parking lot. Railing has been installed on mezzanine in shop and on stairways.

Projects outstanding: electric outlet/junction box covers need to be installed on open boxes. Wood stove and stove pipe in lodge needs cleaning/ sweeping, front door to lodge need repairs and/or parts, will try to cover these this week.

Note for discussion, has kitchen staff been informed to make there last call for drinks at 1030pm? Has mountain radio with charger been given to kitchen so they can contact DOD if necessary?

Directors Report: Dean Davidson

Area of Responsibility: Operations

Date: Feb 24/10

Update on issues/activities:

1.0 Liftee discipline. As some of you may know we had to discipline two liftee's in mid Feb. one for stealing Beer and drinking (he was terminated) the other for under age drinking (he was suspended). Both parents were advised of the incidents.

2.0 Lifts are running smoothly, we did have one derailment that was caused by a bad dismount near the L2 bull wheel. There was no damage to any of the equipment. It appears that we may be loosing the main bearing at L4 bull wheel but should make it through the end of the season. This repair is about 1 –2 days and the parts budget is \$ 1000.00. Bunny hill is now running fine after Campbell found his missing pet mouse living in the fuel tank, sorry for your loss Campbell. I am in the process of doing a budget for the conversion of the bunny hill to electric, more to come on this later.

3.0 Groomers have been operating well with only minor items like tires and hoses needing replacement. We are asking for approval to add a fixed mobile radio to the black machine to meet Worksafe BC rules, this has been added to the agenda.

4.0 Shovel Crew has been flawless they are on time and hard working. THANK YOU to all that help.

5.0 Liftee supervisors, Barb and Cody have been doing a great job with no issues.

Treasurere, Cindy Adams

Ticket Booth and Financial Report to Board

Answers to questions from previous Board Meeting held on January 23, 2010 and other outstanding items:

1. With regards to **persons hiking the mountain** to ski the back country, it is Gougeon's recommendation that we not allow this activity to take place. Access should be denied and unless the back country area is used during our regular operations. If this is the case persons should be purchasing lift tickets and should be paying to use the hill.
At the very least, there should probably be signs posted that access is not patrolled, ski area boundary type signs.
2. As for the **directors using their own personal snowmobiles** for mountain business, as the snowmobiles are insured personally in the event of something happening their personal vehicle policies that cover the snowmobiles could potentially be void as they were not insured for commercial use. Gougeon says no Directors should not be using personal vehicles for hill business.
3. **"Alcohol and Illegal Drug Usage" policy** mailed on February 1, 2010 to guardians and parents of all employees under the age of 19.
4. I contacted **Mrs. Kapitany** and her daughter, Margaret, and they were very pleased to be invited to the dedication of the Kapitany Lodge on Easter Monday. I told her that I would send her a letter with information about the day and Rick has booked two rooms for her for the Saturday and Sunday nights.
5. **RV payments** – Roger Sewell has paid and Cyril Douglas has paid half of his \$850 and assured me that we would pay the remainder this weekend.
6. **Site Visit Item # 1** – Ticket Office – Need to post Alpine Responsibility Code - Once we move into the new building all signage will be in place and I will send them a photo.
7. **Liquor License** had an incomplete item – forms have been faxed with the information required and hopefully this is all we need to do. Na'im has agreed to stay on until this fall when we will need to replace him.

New Business:

1. A suggestion was made to me regarding Board meeting minutes...
"Would it be possible to have a binder put in the Lodge (where the archives are) that contains copies of the meeting minutes for Members to read?"
2. To date we have taken in 31 "two for one" tickets from the Warren Miller show. This appears to have been quite a success for us.

Directors Report: Don Mancell

Area of Responsibility: Cabin Liaison

This memo was prepared by Donald Mancell Director (Legal Liaison) MCAPS February 16, 2009

1_ What is the cost to renew the Cabin Area LOC?

We do not know as it has not happened. However the fee of \$500 per annum will for certain increase above that amount , The Gov has already said they do not want to renew the LOC and that is their prerogative as there is no other ski hill in BC with a cabin area under an LOC . The idea of the LOC was created in 1986 when it was sold to the Gov as a recreational seasonal use area. Much has changed since then and the cabin area is used by many all year a round so the Gov has justification to change the current legal status to a lease.

2.What is the cost to upgrade the LOC to a 15 year lease?

Yes there will be survey costs and likely an application fee but it will all be shared 52 ways. So if the Survey cost is \$8000 that is about \$150 each. The Gov at this time is more in favour of individual leases. I am still exploring what are the possibilities and am touching base with other ski hills. I hope to find a reasonable alternative to present to try and keep the cabin area under one lease. The Gov does not have a precedent for that and it is outside their policy so we will have to come up with a reasonable alternative and present it to them

3. Presently the Cabin Area LOC is registered in the name of MCAPS. Should it be changed into the name of a new corporation or Society

(a) MCAPS as we all know is a non profit society that runs a ski hill An asset of that society is the Cabin Area tenure If MCAPS was to get into financial trouble (ie maybe sued and not covered by Insurance possibly for a breach of Insurance) then the cabin tenure being an asset in the name of the Society could involve all cabin owners in MCAPS problems

(b) Many people have spent a significant amount of money building or buying their cabins . Probably many cabin owners do not really understand the legal ramifications of a non profit Society holding the land permits to their cabins. Cabin Owners may own the improvements but in law the improvements technically belong to the Owner of the rights to the land ie MCAPS . Some people are not comfortable with that concept and they should know that despite the fact that all has been well and good for over 20 years if something goes sideways with MCAPS they may have problem

(c) MCAPS board is elected by paid members at an annual meeting. It is possible like any political party who wants to gain control with a different agenda to stack that meeting with paid members and elect a Board that has no cabin owners on it at all. Thus the cabin owners are under a false sense of security with the existing tenure being in the name of MCAPS

(d) If MCAPS and the RDMW decided to sell the hill (which was under serious discussion in the late 90's)then all of a sudden this LOC or lease to MCAPS becomes a negotiating point possibly to the detriment

of cabin owners . If there is Lease to a separate entity owned by cabin owners or individual leases then there is security and we do not expose ourselves as cabin owners to that issue

4 How much of a difference would a large lease area (surveyed) differ from the current LOC

What we are dealing with is the existing cabin area with possibly some small boundary adjustments to accommodate the 13 new potential new cabin sites . So not much

5. Can there be 52 separate leases ?

The answer is yes there can but we do need to get more info on this in order to make the best decision . At the meeting in Woss Greg Fletcher of RDMW expressed concerns about 52 leases but there was no representative there from VIHA so we are not sure of their opinion .

There are other ski hills with leases Smithers is one and Mt Purden near Prince George is another . I am currently trying to get some info on how they operate and will make that available when I get it . If we have to go to 52 leases there will be extra costs but they will be a one shot deal and they will be shared a minimum of 52 ways .As far as fences etc we can probably take care of that in the lease terms. We can come up with Lease terms that leaves the uniqueness of this forested cabin area the way it is. If we want some controls built into the lease for fences , roads etc (ie none of them are allowed) then I am sure the Min will help incorporate those terms in the lease .

6. Can we expand the cabin area to accommodate 13 more cabins

The answer is yes and this was stated at the Master Plan meeting. We currently have metes and bounds description for the cabin area . If it is surveyed Bill Hunter said we will be able to slightly pull out the boundaries in the final lease to accommodate the new cabin sites

7. What is the benefit of 13 new lots ?

Funds from the sale of any new lots should go to the benefit of the ski hill. If we put the cabin area into one head lease then those new 13 lots can be assigned to MCAPS . .It is not necessary to put all the lots into MCAPS name to accomplish this. If we go to 65 individual lots then we can ask the Gov to put only the new 13 lots in the name of MCAPS and the rest in the name of the cabin owners . If we go to a new shared entity we can assign the 52 lots to existing cabin owners and the 13 new ones to MCAPS so that MCAPS gets the proceeds. This is all doable no matter whether we have individual leases or one head lease. This can be accomplished without putting the whole cabin area under MCAPS ownership

8. What about Strata Title

Yes it is true that Strata Development requires fee simple land that we are not going to get . I have not researched it yet but I will be looking into the possibility of incorporating the pertinent terms of the” Condominium Act” into the terms of the lease so that it becomes contractual between the parties and not by statute . So this is an area that will need some more exploring

9. What if another company ends up running the ski hill ;

We are in a stronger position with a lease whether it is 52 leases or one lease to a new entity than we are with an LOC . I again reiterate that it is not necessary that the lease be in the name of MCAPS with exception of the rights to the possible 13 new lots

10.If MCAPS agrees to move to a single lease and can sell 13 lots who would pay for the survey costs of the lease?

This is something we will have to decide at the time but if MCAPS is to benefit from the sale of these lots it would be reasonable to ask for financial assistance from them for some of these new costs . How much needs to be determined

11. Will the lease rate for each cabin owner go up?

Yes it will if we go to lease it is a higher and better set of rights. If is stayed as an LOC then it will go up as well. I have already been talking to the Gov and have received MT Purdens lease amounts which are in the neighbourhood of \$900-\$1200

I have copied below MT Purdens existing lease prices

Purden Mtn	2008		2009
311263	1224	recreational	1224
311264	1170	recreational	1170
311265	1116	recreational	1116
311266	1065	recreational	1065
311267	957	recreational	957
311268	957	recreational	957
311269	957	recreational	957
311270	1065	recreational	1065
311271	1116	recreational	1116
311272	1116	recreational	1116
311273	1170	recreational	1170
311274	1170	recreational	1170
311275	1224	recreational	1224
311276	1224	recreational	1224
311277	1224	recreational	1224
311279	1116	recreational	1116
311280	1116	recreational	1116
311281	1170	recreational	1170
311282	1065	recreational	1065
311283	1116	recreational	1116
311284	1065	recreational	1065
311285	1011	recreational	1011
311286	1011	recreational	1011
311287	1086	recreational	1086
311288	1086	recreational	1086

We have 3 issues to deal with:

1. Do we proceed to a lease or try and keep the LOC
2. If we move to a lease is it one lease for the whole cabin area or individual leases
3. Whose name does the new lease if it is one lease or 52 leases (maybe 65 if we get the new lots) go into . Will it be MCAPS again or will it be a new entity controlled by the cabin owners or individual cabin owners names

In conclusion to renew the LOC has risks that we do not know as we are at the will of the Gov. Below is an earlier email I sent out that addresses the issue of keeping the LOC or moving to a lease

To put the new lease in the name of MCAPS gives control to people who potentially have no financial interest in the cabin area (see comments in No 3 above)

The cabin owners will have to ask themselves whether the tenure to the cabin area should controlled by the Board of a non profit Society (possibly with no cabin representation) or control the tenure themselves either collectively or individually

Please also read the following 2 emails that have a lot of information in them regarding a License of Occupation (LOC) and a Lease

I have also attached below the contents of an email that was sent by Lance Karsten January 26, 2010
Below that is my response that I sent in detail to Jennifer Jeff, Stuart and Lance on January 26, 2010

To all Mt. Cain cabin owners,

At the recent cabin owner's meeting issues concerning the cabin area lease were raised and briefly discussed. There were questions and statements regarding the existing lease and the future of the tenure. Some issues were addressed but many were not. I left that meeting concerned and somewhat confused about several issues and I believe other owners were as well. I have been thinking that I need more information regarding the lease, available options, management options, associated costs, benefits and liabilities. To get that information I met with three other cabin owners (Stuart Abernethy, Jeff Jones, & Jen Lash). We have decided to gather that information and make it available to all cabin owners (and to the MCAPS board) so we can make informed decisions. To do all this we need your help as well.

At this time, we are hoping to have an initial 'spreadsheet' style synopsis within the next three weeks. Send me your questions, suggestions, and information and we will try to get all 'posted' for discussion later. The better informed we become the better decisions we will make! You can contact me at lkarsten@live.com

Thanks,
Lance Karsten

Response of Don Mancell below from January 26, 2010

Hello Jennifer, Lance, Stuart and Jeff

I wanted to send you an email back to allay some fears about all the cabin lease stuff. Just so you know Stuart was correct at the cabin owners meeting when he stated that I had the full authority of the Board to pursue tenure changes for the cabin area. In fact what we went after about 4-5 years ago was crown grant title (fee simple) but the Government was not prepared to offer that at this time. Instead they have discussed changing the licence to a lease. The lease is the next best thing to crown grant fee simple and is logical next step to getting title eventually to the land.

I have taken the liberty to attach 3 items

1. Motion of MCAPS Board from May of 2007 to proceed with negotiations
2. Letter from Helen Brown to Cabin owners in 2007 mentioning the cabin lease negotiations
3. A summary of my talk to the cabin owners at the Cabin owners meeting in January of 2008

There seemed to be an impression at the cabin owners meeting a few weeks ago from a few people that this was some kind of surprise. I have only attached a few items to do with the whole process here. To show that it has been open and transparent and is not just "mine" or a few people's agenda. As far as I can see due process has been followed. There are actually resolutions pre-dating all this authorizing me to negotiate for the crown grant for the cabin area and they date back to way before this.

Bill Hunter of Min of Tourism will actually confirm this weekend but I believe what will happen is that the Gov will in the future (likely this year) give us an offer of lease terms for the cabin area. It will have all the conditions and pricing in it. It will be based on what is happening on other similar small ski hills. We can then take that information back to the cabin owners and ultimately to the MCAPS Board (which has the only authority to deal with this as the licence is tenured to MCAPS under right now) and we can all collectively put our heads together and explore and vote on what our options are. I see it this way right now.

We have a licence of occupation that is renewable in 2013 . It has been granted for 10 year terms in the past . If you read that document it has in it very restrictive conditions for example it says in it :

2.1 " We grant you a licence of occupation of the Land for recreational cabin purposes and you acknowledge that this licence of occupation does not grant you exclusive use and occupancy of the land "

In summary it also contains the following"

1. It expires in 2013 and has no express right of renewal
2. the Gov if it chooses not to renew it can order all improvements removed within 60days of termination
3. It specifically provides for no Gov compensation should there be termination
4. The "non exclusive use" allows public access to the area without the ability of the cabin owners to restrict it
- 5 Licence of occupation has no registered boundaries and is not mort gable
- 6 Cabin owners have de facto no Ownership rights in the land that their cabins occupy
- 7 When the licence is up the Gov can change the fee from the current \$500 which they likely will do

These are just some of the highlights . It has worked for over 20 years and I agree that if the Gov tried to cancel it they would probably have a public relations night mare on their hands . However it is very weak land tenure . It is actually the weakest available

This licence is tied in with the ski hill and currently we are a public ski hill but in the future that could change . If a private buyer came in this licensed cabin area can become part of negotiations with a new developer and what I have learned about ski resorts is that a lot of the investment incentive is in the real estate development for the most part The main advantages of a lease is that all this uncertainty goes away. Once the gov grants the lease the following is true "

- 1.They cannot cancel it even if the hill closes or is sold
- 2.If a new buyer comes in the cabin area is not part of those negotiations without in depth consultation and consensus
3. If a buyer came in the prov would have to consult with the cabin area . A consultation with a leaseholder would be in greater depth than with a Licence of occupation holder as the tenure is that much stronger
4. A lease gives you all the benefits of fee simple ownership for a fixed term (exclusive use)
- 5 The lease is register able at Land titles office and is Mort gable . This will increase the ease of sale and transfer of cabins
6. The lease tenure will allow the cabin owners to control public access to the cabin area (not true right now)
- 7.The lease fee would be fixed for the term I hope that this information is useful and I would recommend that you circulate it . As I said the Gov will come up with an offer and we will have the opportunity to respond to it . We will have the option to keep our licence until 2013. or we will have the option to take a lease . In 2013 I cannot predict exactly what will happen.

We do not need to speculate right now as to what term will be in the lease offer and whether it is individual lots or it is the whole parcel as one lot . I have conveyed to the Gov our preference for one parcel of land . I believe that this issue will likely be available for some discussion with the government

I would suggest that we receive the offer from the Gov then we will know exactly what we have to decide.

I also have copy of the Current Licence of Occupation Document here in my office should any one want it faxed to them Just send me your fax number .

I have been very involved with this issue and the Master Plan from the beginning . I welcome any questions or concerns on behalf of MCAPS in my capacity as a director and as long standing cabin owner . I would be pleased to be part of this committee to provide information as to this process. I plan on being at both open houses on behalf of MCAPS this Saturday at the hill and in Woss after skiing.

I have sent this information because I agree that the more discussion and information we have from everyone involved will help us come up with the best decision for all of us