

LOT 6 MAINTENANCE CORPORATION

(RE THE MAINTENANCE AND ADMINISTRATION OF THE PROPERTY KNOWN AS LOT 6, WHISTLER, BRITISH COLUMBIA)

(August, 2011)

This overview is provided by Lot 6 Maintenance Corporation (“L6MC”) for the benefit of Adventures West Lakeside (“Lakeside”), Adventures West Riverside (“Riverside”), Alta Lake Resort (“Alta Lake”), Barnfield development (“Barnfield”) and 10 single family lots, all located in the Whistler Cay area, Whistler, British Columbia. Every property owner in our neighbourhood has an interest in or rights to use Lot 6.

WHAT IS LOT 6?

You need to understand some of the history of our neighbourhood to understand what Lot 6 is. All of our area used to be known as Block “G” at the Land Title Office (with the exception of the 3 waterfront single family lots which were known as Block “C”). When Block “G” was subdivided into 8 lots, Lot 6 was created and it encompassed the beach area (from Adventures West Lakeside all the way along the River of Golden Dreams) and the road from the Barnfield Farm bus loop and continuing south all the way around the neighbourhood.

Each of the Block “G” lots was given an interest in Lot 6 (total interests = 1000).

A Schedule of those interests is attached as **Schedule “A”**.

The Block “G” lots now comprise Lakeside, Riverside, Alta Lake, Barnfield and 7 single family lots¹. As a result, each lot or strata owner now has an interest in Lot 6. In fact, if you look at your Land Title Office certificate, you will see what interest you have been given (with the exception of Lakeside and Riverside where you have to look at the original Plan).

Owners of the lots from the original Block “G” use Lot 6 in varying degrees:

- many owners access their strata unit or single family lot over the road portion of Lot 6 from Crabapple Drive south of the bus loop. Therefore, efforts must be made to maintain

¹ The owners of 6801 and 6805 Crabapple Drive are members of a Strata Corporation. However, for the purpose of this overview, they are treated as Individual Owners.

the road, including snow clearing, paving, landscaping, aesthetics, lighting and security (the “**Road**”);

- some lot owners obtain access to the sanitary sewer system services located under the road. Presently, L6MC maintains a sewer pumping station which was installed on Lakeside property (near the Lakeside parking lot) many years ago. Some owners in our neighbourhood, as per previous permissions granted, presently hook into that sewer system. The parties who currently use that system must of course maintain it (the “**Sewer**”); and
- all owners of Lot 6 have the use and enjoyment of the waterfront land adjacent to Alta Lake and the River of Golden Dreams, including the path to the beach and the beach fronting Lakeside. Efforts are made annually to maintain the beach and the beach path from Crabapple Drive (the “**Beach**”).

The Block “C” waterfront lots do not have a property interest in Lot 6. However, those lots have easement rights over Lot 6 to allow them access over the Road and also allow access rights over the Road and under the Road to install sewer services. Presently, two of those lots have express permission to tie into the Sewer pumps on Lakeside’s property. It is our understanding that the Resort Municipality of Whistler (“**RMOW**”) has ordered that the remaining waterfront lot be connected to the municipal sewer system and L6MC has received a request from that property owner to similarly tie into the Sewer, which request L6MC is considering.

The owners of certain lots on Crabapple Drive also have limited rights to enter upon and enjoy the amenities relating to parts of Lot 6. Examination of the land titles of those owners will evidence whether such owners are entitled to exercise those rights.

So, everyone in our neighbourhood (ie. south of Crabapple Drive south of the Barnfield bus loop) has rights in relation to Lot 6, whether by way of a property interest in or rights of access and use of Lot 6.

WHY DO WE NEED TO DO ANYTHING WITH LOT 6?

The Beach, Road and Sewer are amenities (the “**Lot 6 Amenities**”) that we, as Lot 6 owners, all enjoy to varying degrees. But, like most things in life, nothing is free, and there is a cost associated with maintaining these Lot 6 Amenities.

We live in a very unique community in Whistler. It is very quiet and private and yet close to the bustle of the Village and of course, the ski lifts. The many fine homes recently built in our neighbourhood have enhanced the exclusiveness of our neighbourhood. The Whistler real estate market continues to confirm that the homes in our area have substantial value, a value which we of course all seek to maintain.

So, we all have an interest in ensuring that the Lot 6 Amenities, such as the Beach, Road and Sewer, are well maintained and improved and continue to enhance the value of our properties.

WHAT HAS BEEN THE HISTORY OF LOT 6 TO DATE?

Lot 6 was created “at the time of the original subdivision of the area as a means of providing access and services to the subdivision via a shared interest in a common lot”. At that time, the RMOW did not exist. Lot 6 was then and still remains private property. It has never been maintained by the RMOW nor does the RMOW presently have any interest in taking it on.

A cost structure to pay for amenities is now required in new private developments. If this issue had been addressed at the outset of the development of our neighbourhood, the developer would have created a process which gave some legal entity the power to develop a budget for the costs of maintaining the Lot 6 Amenities and the power to collect those costs from those who enjoy the Lot 6 Amenities. The rights and obligations relating to Lot 6 would have been in documentation registered against each and every lot and strata lot created from the original Block “G” lots. The easements for the Block “C” waterfront lots would also have contained specific provisions requiring a contribution towards the Lot 6 road costs.

This is no different than that which is found in cities and municipalities – where all property owners must pay taxes and in return, they enjoy the amenities that municipalities provide. The only difference is that the taxes are imposed by statute, not by private agreements.

For reasons that aren’t clear, the original developers did not create a legal framework to organize the neighbourhood to collectively deal with the rights and responsibilities for the maintenance and costs relating to Lot 6. As a result, the maintenance and cost sharing has been dealt with on a piecemeal basis with substandard results.

Originally, the responsibility for the administration, maintenance and costs relating to the Lot 6 facilities was assumed, carried on and paid for by the original strata corporations (Lakeside, Riverside and then Alta Lake). In 1996, in anticipation of the Barnfield development which created the Barnfield strata, an agreement was informally entered into which essentially allocated Lot 6 expenses based on the proportionate areas of each of the properties with rights to Lot 6. Later, a more formal agreement was drawn up in 1998 to include all the stratas and the individual lot owners. However, this agreement does not appear to have been signed. Since that time, some properties have changed owners, and new owners would not be bound by the agreement in any event.

Until 2005, an *ad hoc* collection of representatives from the stratas and the individual owners dealt with Lot 6 matters. There was, however, no central organization of this effort, so needless to say, input from the owners and billing and collection efforts was not satisfactory. Maintenance and planning for the improvement of Lot 6 was difficult because all stakeholders were not represented and were not active participants in decisions respecting Lot 6. It is fair to say that some maintenance and improvements were delayed for many years and others were not done at all due to this state of affairs.

In addition, some owners benefited from the Lot 6 Amenities but did not contribute their fair share of the costs of maintaining them.

THE LOT 6 COMMITTEE EFFORTS

In late 2005, an *ad hoc* committee of various stakeholders was formed to consider the Lot 6 problem and develop potential solutions for consideration by the stakeholders.

A draft proposal was developed in late 2006 and meetings were then held with various stakeholders to introduce the concept and to gain their reactions to it. The proposal was distributed to the four Strata Councils (Alta Lake, Lakeside, Riverside and Barnfield) and discussed with each Council either with the council as a whole or with delegates assigned to represent them. The Committee met collectively with five of the ten individual homeowners. Reactions to the fundamental issues defined by the Committee were generally supportive. Individual Owners who attended the meetings and the Strata Councils discussed the initial recommendations of the Committee. The comments arising from those meetings were considered by the Committee and were addressed in a later revised proposal presented in December, 2007.

In December, 2007, the Lot 6 Committee members met again with the Strata Councils and their general support again was confirmed. In addition, the Lot 6 Committee members met with the majority of the Individual Owners at one of the residences at which time various matters were discussed.

In 2009, the Committee put forward a proposal to create “**Lot 6 Maintenance Corporation**”, a British Columbia corporation.

This corporation was to be owned by each owner having a legal entitlement to an interest in Lot 6 or a right of access to Lot 6. Lot 6 Maintenance Corporation was to be a non-profit corporation incorporated solely for the purpose of administering and maintaining the Lot 6 Amenities and collecting payment for the annual costs associated with Lot 6.

LOT 6 MAINTENANCE CORPORATION

L6MC was incorporated in 2009 to address certain matters in relation to Lot 6.

Its present shareholders include Lakeside, Riverside and Alta Lake. In addition, Barnfield and certain Individual Homeowners continue to participate in various matters relating to Lot 6.

L6MC is charged with the responsibility of implementing the decisions of the stakeholders relating to Lot 6. As part of its efforts, it creates budgets, which are approved by the shareholders at its Annual General Meeting in the fall. In addition, L6MC makes contractual arrangements to undertake work to improve or maintain services and discusses future planning in respect of the Lot 6 Amenities. Finally, L6MC collects funds from the owners to pay the costs associated with the Lot 6 Amenities.

L6MC operates under certain fundamental guiding principles, namely that:

- (a) All stakeholders must have an **opportunity to influence** the future direction of the Lot 6 Amenities, namely the Sewer, the Road, the Beach and undeveloped areas so important to the character of the neighbourhood.
- (b) All stakeholders must **contribute to the costs** of maintaining and improving Lot 6.
- (c) Stakeholders must share operational and capital costs relating to Lot 6 on a basis that is **fair and reasonable**.
- (d) the obligation to contribute to the costs must be structured to **ensure continuity** and avoid the haphazard organization of the neighbourhood which has happened to this point in time.

Since the creation of L6MC, major initiatives have included:

- In the summer of 2011, L6MC implemented certain rules relating to the beach.
- In June, 2011, various community members participated in a clean-up of the beach path from Crabapple Drive to the beach area.
- During the summer of 2011, the stratas took steps to organize the registration of various watercraft of Lot 6 owners located in the beach area which are to be located at or near the racks built and maintained by the respective stratas.
- L6MC is organizing various signage to clarify rights and obligations relating to the use of the Road and the Beach.
- L6MC is continuing discussions with various stakeholders regarding the sharing of expenses relating to the Road. For the 2011/2012 fiscal year, L6MC is making efforts to arrange for road maintenance and snow clearing for the portion of the Crabapple Drive south of the bus loop and continuing until it jogs to the right (known as the “Curve” on the Road Designation map on the website) for the benefit of the stratas and the 3 Individual Homeowners located on that portion of the road.
- L6MC has identified various issues relating to ongoing maintenance of the sewer pumps and is implementing a capital replacement program for the pumps to avoid any service disruption in the event of an equipment failure.

CONTACT DETAILS

Further information about Lot 6 Maintenance Corporation can be found on the website - www.lot6corp.net.

The directors of L6MC welcome any comments, suggestions or questions you may have. Please feel free to contact us - see “Contact Us” link on the website.

Schedule "A"

LOT 6 ALLOCATION AMONG BLOCK "G" LOTS

ORIGINAL BLOCK "G" LOT	CURRENT OWNER	ALLOCATION OF LOT 6	TOTAL INTEREST IN LOT 6 PER LTO PLAN 14389
1	Adv West Riverside 6805 Crabapple Drive 6801 Crabapple Drive RMOW	72 90 89 69	320
2	Adv West Lakeside 6927 Crabapple Drive 6935 Crabapple Drive	25 15 18	58
3	Alta Lake Resort	149	149
4	Adv West Lakeside	66	66
5	Barnfield RMOW	52 (est) 52 (est)	104
6	----	----	----
7	Barnfield RMOW	75 (est) 92 (est)	167
8	6950 Crabapple Drive 6958 Crabapple Drive 6934 Crabapple Drive RMOW	30 30 45 31	136
TOTAL			1000