

**MINUTES OF THE TWENTY-EIGHTH ANNUAL GENERAL MEETING
OF THE LANGDALE OWNERS' CLUB
Held at THE LANGDALE ESTATE
At 2.00pm on SUNDAY 21st NOVEMBER 2010**

Present Chairman of the Committee: Fred Crouch
Members of the Committee: Ian Hamilton Andrew Collier
Joe Longmuir Nick Lancaster
Also Present: 141 owners and their guests

Item A Introduction

Fred Crouch, as Chairman, welcomed everyone to the 28th Annual General Meeting of the Langdale Owners' Club. He introduced Dale Watler, Chairman of Langdale Owners PLC, who exhibited the prestigious Catey Award for Green Hotel of the Year 2010 that had been presented to Langdale on 15th November. The Catey Awards are organised by The Caterer and are recognised within the industry as being the true benchmark of operational excellence. 11 of the 15 awards were won by hotels in London, most of which were part of large groups, and none have ever been presented to an establishment in the Lake District, so this was an outstanding achievement for Langdale. As a direct result of winning this award, a significant booking for 18 rooms in the hotel for a Sunday night in January had already been made by another hotel group who were keen to see Langdale's practices.

The Chairman then introduced the other members of the Committee – the elected members Ian Hamilton and Andrew Collier, and Joe Longmuir, Managing Director of Langdale Leisure Ltd, and Nick Lancaster, Director of Resort Operations. He asked for any members of the Press to leave or, if they were owners, to respect the privacy of the meeting.

Apologies for absence had been received from Boyd & Sybil Tennent, Ian & Liz Fox, Allen & Diana Halliwell, John & Margaret Jillings, Peter Carlile, Alan & Yvonne Bower, Norman Dunhill & family, Brian & Beryl Falder, Robin Ryall, and David Fairs who had attended the morning meeting but had to leave.

The Chairman wished to express his thanks to Graham Harrower, the Executive Chef, for once again producing a superb dinner the previous evening, and said it would appear that owners wanted the AGMs to continue to be held at Langdale.

Item B To approve the Minutes of the last Annual General Meeting (Resolution 1)

The Chairman went through the minutes of the last AGM page by page for any inaccuracies and none were found. He asked for a proposer and seconder to approve the minutes.

Proposer: Jane Mitchell Lodge 75, Week 7
Seconder: Graham Vine Lodge 37, Week 27

On a show of hands in favour, the Chairman declared the Resolution carried unanimously.

Item C Matters arising from the Minutes of the last Annual General Meeting

The Chairman asked if anyone had any matters to raise.

Vivienne Pickering – Lodge 76, Week 10: Following my request last year, I would like to thank Nick Lancaster for arranging a Gift Aid system for our donations to the Our Man at the Top scheme, and urge other owners to make use of this as they have had their funding considerably reduced.

Item D Reports from the Committee

General Report

The Chairman referred to the schematic diagram on page 17 of the report circulated prior to the meeting, showing how the two businesses which run Langdale and are responsible for its continued success are interlinked, plus an updated version of the structure of Langdale Leisure Ltd on page 18 - with Graham Harrower, the Executive Chef, and Ian Murray, the Maintenance Manager, being moved to the Senior Management Team on the top line.

Projects

Ian Hamilton reported on the new IT infrastructure for the site, which delivers Wi-Fi internet access to each lodge, and HD TV with 161 national and regional channels and 38 radio channels. This infrastructure should also be capable of providing the BBC i-Player and a new internet-based TV system called You View, expected to become available by the middle of 2011. Ian hoped that this improved service and quality met with owners' approval.

The Chairman expressed his thanks to Ian for steering this project through over a number of years, made especially difficult by the nature and location of the Estate.

Nick Lancaster gave a presentation on the progress of the refurbishment programme and also the repair to the weir. During the maintenance period over the winter of 2009/2010, Ian Murray and his team, together with sub-contractors, had accomplished a huge amount of work in the lodges – installing another 43 new bathrooms (more than had been achieved over the previous three years) and new kitchens and lounge areas in nine lodges. This was in addition to the new leather suites and TVs which had been installed in the summer of 2009. He was pleased to report that the majority of the feedback had been very positive and owners' comments had been taken into consideration – such as increased lighting levels, particularly in the kitchen area.

Some owners had expressed concern about the height of the built-in microwave and this had been checked with the manufacturers who confirmed that it was an acceptable height and regarded as safe. However, if any owners felt it to be a risk, a stand-alone microwave would be provided on request.

Unfortunately, costs for the new kitchens and bathrooms have risen against our original budgets, due to increases in equipment costs and VAT plus some specification changes as a result of new electrical requirements and also owners' feedback. In addition, some emergency projects have had to be programmed in, such as replacing boilers. Because of this the refurbishment programme has had to be extended by an additional maintenance year and a new schedule has been drawn up. The good news is that the bathroom replacement programme will still be completed to the original plan.

Nick was also pleased to report that the work to repair the weir, damaged two years previously, had been successfully completed under the supervision of Andy Dawson, the Head Groundsman. Traditional techniques were used with the result that it looked very much as it would have done 111 years ago when it was first rebuilt, and water was once more flowing through the Estate. This repair was paid for by the Company side of the business, and donations from owners towards the costs are very gratefully received – information is available on the Owners' Website or payment can be made with the management fee.

The Chairman added that the men repairing the weir had worked very hard, late into the night in very difficult conditions, and we owed them a great debt of gratitude.

Andrew Collier then gave a presentation on the matters of succession of members of the Board and Committee, and the Management Agreement.

Succession

Although there were no current vacancies, both the Board of Langdale Owners PLC and the Committee of the Langdale Owners' Club were looking forward to the next generation, and a workshop had been arranged in Harrogate in April 2011. This would give owners the opportunity to learn more about the duties and responsibilities of the elected representatives and the level of commitment and skills required. Owners could put themselves forward as prospective recruits or suggest others with relevant skills who may be interested.

Management Agreement

There is a Management Agreement between the Owners' Club Committee and Langdale Leisure Ltd, as shown on the chart on page 17 of the report. The Management Company collects the management fees and deals with the administration for the Owners' Club and the day-to-day operation of the Estate, together with maintenance and refurbishment, for which they claim a fee. The Agreement states that they should recover all their costs plus 15%, but in practice they have never taken the full 15%. In the past the annual fee paid by the Club has varied from £111,000 to £192,000 and £155,000 but in 2009/2010 it was decided that they should receive a fixed fee of £175,000, and that has been agreed again for the current year.

The Committee felt that they would like this to become the norm, to give them the power to negotiate a fee annually with the Management Company. It was therefore proposed to make this a formal agreement to run for five years, after which it would be decided whether or not to make it permanent.

(Please see the paper that was circulated at the meeting explaining this in more detail, which is included within the Financial Statements for the year ended 30th April 2011 at Appendix 4).

The Chairman then continued with his report:

Exchanges & Swaps

More internal swaps were being sent through the Chairman's e-mail address to his wife Sheila which worked well, as they were able to keep up to date with them even when they were away.

TATOC

The Association of Timeshare Owners' Clubs continued to provide a valuable service to timeshare owners who had queries regarding resales, scams, etc, and they would like to expand their helpline to operate 24 hours a day, seven days a week. It had become the respected organisation that Government agencies and publications such as Holiday Which turned to. Their website address is timeshareassociation.org.

Accounts

The Chairman apologised for the print error in the Accounts which had been corrected. He reported that there were only about five properties on the Estate that had never been sold, which should increase the value of owners' resales.

The Income & Expenditure Account on page 7 of the Financial Statements showed that no interest had been paid on cash deposits, due to the current banking situation. The unrecovered costs of £571 related to the sale of cancelled members' lodges that did not cover their outstanding debt in management fees. The Reserve Fund replacements had topped £1 million, being the expenditure on refurbishment throughout the year, and this also accounted for the large reduction in Reserve Funds. This would build up again once the winter maintenance period ended, ready for the following year's expenditure.

The Chairman asked for any questions on the Accounts. There were none, so he moved on to the Resolutions.

Item E To consider and, if thought fit, to pass the following Ordinary Resolutions:

Resolution 2

To receive, approve and adopt the Financial Statements for the year ended 30th April 2010 together with the Reports of the Committee and Auditors thereon.

Proposer: Malcolm Coward Lodge 34, Week 9
Secunder: Dale Watler Lodge 5, Week 6

On a show of hands in favour, the Chairman declared the Resolution carried unanimously.

Resolution 3

To re-appoint Scott & Wilkinson LLP as Auditors of the Club and to authorise the Committee to fix their remuneration

Proposer: Edward Mitchell Lodge 75, Week 7
Secunder: John Dearden Lodge 21, Week 35

On a show of hands in favour, the Chairman declared the Resolution carried unanimously.

Resolution 4 To re-elect Fred Crouch as a Member of the Committee

Ian Hamilton explained that a proposer and seconder were not necessary, as Fred Crouch had complied with the regulations for appointment; therefore, on a show of hands in favour, he declared the Resolution carried unanimously.

Item F To transact such other business as may be properly transacted at an AGM

The Chairman asked for any questions from the floor.

Gordon Laurie – Chapel Stile 8, Week 30: I'm a bit confused about the freehold/leasehold situation. Does Langdale Owners PLC own the freehold? *Chairman:* Yes.

Mike Smalley – Lodge 80, Week 1: I have a question and a suggestion. First, as a result of the new TV situation, are we saving a lot of money on the Sky licence?

Ian Hamilton: Yes. We saved around £30,000 a year by removing Sky a number of years ago, and that has helped to pay for the new infrastructure. With Freesat we pay for the equipment but not for a licence to receive it.

Mike Smalley: Thank you. Secondly, I agree with the proposal for the fee for the Management Company but suggest that it would be a good idea to incorporate a cap.

Andrew Collier: The problem with a cap is that it can be seen as a target!

Reg Stone – Lodge 43, Week 14: As it has been said that the AGMs will probably continue to be at Langdale, I would be interested to see an analysis of ownerships by general postcode.

Chairman: An analysis was carried out several years ago which showed that the majority of owners live in Lancashire, Cheshire and the immediate counties around.

Jean de Kretser – Lodge 54, Week 10: As only £10,000 has been contributed so far towards the cost of the weir, would a solution be to impose a levy of £10 or so?

Ian Hamilton: Somebody had to take leadership to solve the problem and the Management Company stepped forward and provided the funding. £10,000 has been collected in the first two months and we are confident that the costs will be recouped within a year or year and a

half by voluntary donations, and may even provide a surplus to pay for future maintenance of the weir. We would rather leave it as voluntary rather than a levy.

Godfrey Weir – Chapel Stile 7, Week 1: Could I suggest that we use the term units rather than lodges, as those of us in apartments at Chapel Stile and Elterwater Hall feel left out.

Chairman: I own two or three weeks at Chapel Stile and I do try these days to refer to units. As to whether Chapel Stile has had more or less refurbishment than lodges, it has had quite a lot done in recent years – all new bathrooms and the leisure area. Elterwater Hall properties have also had some major refurbishment.

Godfrey Weir: Another question is regarding the mobile phone reception – I have T-Mobile and it is appalling. Do others have the same problem?

Ian Hamilton: Unfortunately, mobile phone reception in this area is very patchy. It is dependent upon the provider of the service and can also be affected by the weather. Vodafone reception is good as they have sited an aerial in the vicinity.

Peter Raeburn-Ward – Lodge 64, Week 1: We have Orange and for the first time it is working impeccably this year.

Ian Hamilton: That is interesting, and may be that Orange and Vodafone have integrated their networks and are sharing aerials.

Ian Denoon – Elterwater Barn, Week 20: How many lodge owners have you lost contact with over the years and then presumably disposed of their lodges? On average, how often does this happen, what is the procedure and how long do you wait?

Chairman: When owners don't pay their management fees for a couple of years or so, after we have exhausted every avenue of getting them to pay, we put the property on the market and send them any profit remaining after the debt is paid. It is not a common occurrence, as we do give them every opportunity to settle the debt. There have only been about three owners who we have completely lost contact with, and any profit remaining after the property has been sold and the debt recovered is kept in a special account for nine years.

Diana Oelbaum – Lodge 38, Week 35: Do all the properties now have internet access?

Ian Hamilton: Yes, there is WiFi internet access in all the properties – you just have to bring a laptop with you.

Graham Vine – Lodge 37, Week 27: We have three lodges but only use two and the Estate manages to let the one we don't use. Is the Points system or any similar system yet worthy of exploring, as in the past we have been advised against it?

Chairman: Just a week ago RCI set up a whole new system based on credits rather than points. As it is so new we don't yet know how well it will work. I suggest you talk to Dan Visser in the Langdale Sales Office for further information.

Dan Visser: The Points system remains unchanged. The new system is based on a value put on individual properties, and Langdale will have a high value. If you are registered with RCI and have a password you will be able to get all the information from their website.

Ian Hamilton: Just to re-affirm, we do not consider joining a Points system is appropriate for Langdale. Many resorts pay significant sums to be members of RCI, particularly when they are being developed, but Langdale has never paid to be a member and very few Langdale owners exchange to other resorts.

Malcolm Coward – Elterwater Hall 3, Week 26: We have asked on several occasions if it would be possible to have firmer mattresses.

Nick Lancaster: We can tighten the slats on the bed bases and we do provide bed boards on request, but it would be logistically impossible to stock different densities of mattress.

Alan Chubb – Lodge 69, Week 46: Firstly, I am curious about the names of the lodges and where the places are. Secondly, my experience with mobile phone reception in the Lake District is that it is variable, and I wondered if it was affected by volume of use.

Ian Hamilton: My view is that the main problem is caused by the topography of the Lake District. Car radio reception is also affected. I don't believe that there is a shortage of capacity in the network but simply a problem with the signal from your phone not reaching the tower, caused by the mountains or the weather, etc.

Nick Lancaster: With regard to the names of the lodges, the vast majority are named after places in the Lake District, but there are about half a dozen at the end of the development which had their names made up!

Josie Coward – Elterwater Hall 3, Week 26: Back to the subject of mattresses. Some years ago there was new furniture on display at the AGM and for the first few years after installation the beds were fine but the mattresses do not seem to have stood the test of time and have become very soft. I know of another owner who feels the same.

Nick Lancaster: We will investigate this – it may well be isolated to Elterwater Hall.

As there were no more questions the Chairman introduced Graham Harrower, Executive Chef, who received sustained applause. He then drew the meeting to a close and asked everyone to please go out via Purdey's Bar or Hobson's Bar, as the Reception area would be busy with people checking in. Coffee and tea were being served in The Terrace, where Jackie Lancaster was available to take reservations for next year's AGM and Mags Jones would be able to answer any queries about paying management fees by direct debit.

He thanked everyone for coming, wished them a safe journey, and looked forward to seeing them on 4th December 2011.

The meeting closed at 3.15pm.