

**MINUTES OF THE
ANNUAL MEETING OF THE MEMBERS OF
THE CHRISTIE LODGE OWNERS ASSOCIATION, INC.
Saturday, October 3, 2009
Avon, Colorado**

I. CALL TO ORDER

The Annual Meeting of Members (the “Annual Meeting”) of The Christie Lodge Owners Association, Inc. (the “Association”) was called to order at 9:00 a.m. Mountain Time on Saturday, October 3, 2009 at The Christie Lodge, Beaver Creek Room, by Gary Kujawski, President of the Association. Mr. Kujawski welcomed the owners in attendance and introduced Lisa Siegert-Free, General Manager of the Christie Lodge, for an announcement to the members.

Ms. Siegert-Free announced that Lynn Weas, Managing Director, passed away on September 2, 2009. She described Mr. Weas’ contributions to the timeshare industry and his dedicated work at the Christie Lodge during his tenure of 21 years and asked for a moment of silence in honor of Lynn Weas. Ms. Siegert-Free then announced the renaming of the Beaver Creek Room to the Lynn Weas Room and turned the meeting back to Gary Kujawski.

Mr. Kujawski also acknowledged the remembrance and contributions made through the years by Mr. Weas. He continued with introductions of the other members of the Board of Directors in attendance: Jonasue Phillips, Lucy Aldridge, Bill McReynolds, John Mertens, Art Olson, and Tom Napoli; and noted that Steve Vickers was not able to attend. Mr. Kujawski introduced Mike Clowdus, the Association Counsel, and Bobby Coates, representative for RCI, who would later make a presentation.

Mr. Kujawski shared that there was one more announcement to be covered, and re-introduced Lisa Siegert-Free. He spoke briefly of Ms. Siegert-Free’s 25 years of service at the Lodge, her contributions as General Manager for the past 13 years, and announced that on October 2, 2009 the Board of Directors passed a resolution to place Lisa Siegert-Free as acting agent for the Lodge, replacing Mr. Lynn Weas.

Mr. Kujawski advised that the meeting would follow the agenda included in the Notice of Annual Meeting and would proceed informally to the degree possible, stating if parliamentary procedure was called for, Bill McReynolds would serve as Parliamentarian. Mr. Kujawski described the motion procedures to be followed and reminded the audience to use a microphone when addressing the meeting, in order to have the proceedings properly recorded into the written record. He next introduced Mike Clowdus, Association Counsel.

II. PROOF OF NOTICE OF ANNUAL MEETING

A. Proof of Notice. Mr. Clowdus offered the Certificate of Mailing of Notice of the Annual Meeting on October 3, 2009, as executed by Lisa Siegert-Free, General Manager of the Lodge, certifying that the Notice of Annual Meeting was mailed to all owners of record on August 20, 2009.

B. Establish Quorum. Mr. Clowdus explained that there are 15,529 possible votes in The Christie Lodge Owners Association, Inc. comprised of 19 commercial units which have 51 votes each, three remaining whole units that have 52 votes and 277 timeshare units with 52 votes each. A quorum for a meeting is 10% of the total, or 1,553 votes. Mr. Clowdus received a tabulation of the owners in attendance in person or by proxy prepared by the Association staff. He noted that there were 3500 votes present at the meeting in person or by proxy, and he declared that a quorum was present and that there existed a lawfully constituted Annual Meeting of the Association.

III. READING OF THE MINUTES OF THE PRECEDING ANNUAL MEETING

Mr. Kujawski asked for a motion to waive reading of the minutes of the prior Annual Meeting, a copy of which had been provided to members when they checked in at the Annual Meeting. Ted Petersen, so moved and it was seconded by Frank Marek. The motion passed by acclamation. Mr. Kujawski then asked for a motion to approve the minutes of the last Annual Meeting as presented. Debra Mertens so moved and Lou Ann Dixon seconded the motion. The minutes were approved by acclamation.

IV. REPORTS OF COMMITTEES

A. Audit Committee. Mr. Kujawski requested reports from the various committees of the Board. He first introduced Bill McReynolds, a Board member and former President of the Association, who serves as Chairman of the Audit Committee, to present the Audit Committee report.

Mr. McReynolds noted that the independent auditor's opinion from Zwiebach & Company stated a "clean opinion" and that the financial statements present fairly, in all material respects, the financial condition of the Association for the fiscal year ended June 30, 2009. He went on to review certain items in the audit starting with the balance sheet and stated that cash is \$2,278,000 and the fund balance is close to \$6,000,000. Mr. McReynolds commented on the tremendous job on the part of the staff and management in controlling expenses in the current economic conditions. He noted reasons for changes in the various fund balance within the audit, and that rental revenue was down this year. Mr. McReynolds also highlighted that revenues are \$800,000 in excess of expenses. He concluded that the Association is in a strong financial position and offered to be available to answer questions after the meeting.

B. Legal Committee. Mr. Kujawski then called on Jonasue Phillips to make the report on behalf of the Legal Committee. Ms. Phillips was delighted that she had no legal matters to report.

V. REPORT OF OFFICERS AND MANAGEMENT

Mr. Kujawski introduced Lisa Siegert-Free, General Manager of the Lodge, to make the Management Report. Ms. Siegert-Free welcomed the owners and introduced all staff members in attendance. She spoke of many accomplishments and occurrences of Mr. Weas' early years at the Lodge. She then presented historic photos on renovations and enhancements of the property through the years. Ms. Siegert-Free turned over the presentation to Shirley Byrne who presented statistical information on timeshare industry growth, timeshare owner and resort demographics and communication to Christie Lodge owners. Ms. Byrne introduced Rick Dameron, Chief Engineer, who presented photographs of various projects and improvements to The Christie Lodge over the

last year. He then answered several questions from the members. The complete text of all presentations and reports are in the Transcript of the recording of the meeting.

VI. NOMINATION OF CANDIDATES FOR ELECTION TO THE BOARD OF DIRECTORS

A. Explanation of Eligibility Requirements and Election Procedures. Mr. Kujawski asked Mike Clowdus to explain the eligibility requirements and election procedures for the Board of Directors. Mr. Clowdus first noted the restriction that a majority of Directors may not be from any one state. Candidates for election must advise the Association of their candidacy and provide a resume to the Association on or before August 1 of each year. He noted that complying with this procedure would preclude nominations from the floor. The abstracted resumes of all the nominees were in the Annual Meeting Materials given to all members at check-in. This year the members would be electing two members to the Board for three year terms.

Mr. Clowdus turned the meeting over to Lucy Aldridge for her report on the procedures and recommendation of the Recruitment and Nominating Committee. Ms. Aldridge explained the candidate recruitment and interview process in use by the Committee. She listed the names of seven individuals who submitted resumes: Jane Jacob, Art Olson, Yoshiro Nakai, Steve Vickers, Gary Goodson, J. Raymond David, and Joel Green. Ms. Aldridge confirmed the Committee members spoke with all candidates, held discussion and decided on their recommendation for Art Olson and Steve Vickers.

Mr. Kujawski thanked Ms. Aldridge for her report and asked for a motion to nominate the slate of candidates who submitted resumes. John Mertens made the motion and Bruce Corley seconded. The motion passed by acclamation.

VII. APPOINTMENT OF THE ELECTION INSPECTORS

Mr. Kujawski then asked for a motion to waive appointment of election inspectors, with the duties of the inspectors to be fulfilled by the Association staff. Frank Marek so moved and Phyl Wagner seconded. The motion passed by acclamation.

VIII. ELECTION OF DIRECTORS

The election of directors proceeded by written ballots which were distributed to the owners upon check-in. Mr. Kujawski asked the staff to collect and count the ballots. From the audience, it was requested that Mr. Kujawski reiterate for the record the restriction that no majority of Board members may be from any one state and he did so restate the restriction.

While the ballots were being collected and counted, Mr. Kujawski introduced Bobby Coates from RCI, who gave a presentation to the owners which demonstrated and highlighted enhancements to RCI's online exchange search features. Mr. Coates welcomed audience participation in the presentation, answered questions, and in closing his presentation, he offered to be available after the meeting. Mr. Kujawski thanked Mr. Coates for his informative presentation.

Mr. Kujawski then announced that the ballots had been counted and the election resulted in Art Olson and Steve Vickers being elected to the Board of Directors. He also thanked the members of the Association for their participation in the election.

IX. NEW BUSINESS

Under New Business, Mr. Kujawski asked Mike Clowdus to present several resolutions to the members for vote.

A. Assessment/Reserves Resolution(s). Mr. Clowdus proposed resolution(s) for consideration by the members in attendance. He explained the purpose of the resolution(s) is to comply with the requirements of the Internal Revenue Service, in order to insure that assessments and reserves are not taxed as income. He briefly reviewed the history of the issue with other associations and read into the record the resolution(s) that supports the Association's practice, which are designed to prevent the Association's reserves from being taxed as income or prepaid assessments being taxed as income in the year received as opposed to the year expended. The text of the resolution(s) is attached to these Minutes.

Mr. Clowdus asked the members for a motion to approve the resolution(s), as read. J. Raymond David, so moved. It was requested from an audience member that management include

the resolution(s) language as part of the meeting materials, to provide the members the opportunity to read the text as the resolution(s) are presented for consideration. This suggestion was acknowledged and agreed to by the Lodge management in preparation for future annual meetings. Steve Hedges then seconded the motion to approve the resolution(s) as presented, and the motion passed by acclamation.

B. Resolution Ratifying all Board of Directors' Acts. Mr. Clowdus then asked for a motion from the Association members ratifying all acts of the Directors for the prior fiscal year based upon reports and information received from the Board of Directors and management at today's meeting.

Terry Vickers moved to ratify the acts of the Board based upon the information received at the meeting. Lugene Petersen seconded the motion. Ted Petersen called for discussion, and questioned the actions to be covered by the ratification. Mr. Kujawski explained the ratification of actions as proposed. The members followed with several questions which were answered by members of the Board and management. Mr. Kujawski then called for a vote on the motion to ratify the acts of the Directors for the prior year. The motion passed by acclamation.

Members of the Board and management then fielded several questions from various members in an open discussion format.

X. ADJOURNMENT

Mr. Kujawski thanked everyone for coming and announced that after the meeting adjourned there would be a drawing for several giveaway items. He then called for a Motion to Adjourn. J. Raymond David so moved and Kristen Nostrand seconded the motion. The Motion to Adjourn the meeting was passed by acclamation.

ASSESSMENT/RESERVES RESOLUTION

RESOLVED, Any amounts collected by or paid to the Association in excess of operating expenses for the fiscal year end June 30, 2009 shall be set aside for future major repairs and replacements and allocated to capital components as provided by the guidelines established by Revenue Rulings 70-604, 75-370 and 75-371. Such amounts shall be deposited into financially secure, interest bearing accounts. Any amounts so added to the capital replacement reserves shall be allocated to the various components at the direction of the Board.

FURTHER RESOLVED, any excess amounts added to capital reserves instead of being rebated to owners or applied to next year's assessments shall be used for capital reserves.

FURTHER RESOLVED, any 2009-2 assessments received prior to June 30, 2009, the Association's fiscal year end, shall apply only to services required to be performed in the following fiscal year and shall be deemed to be held in escrow by the Association against payments for the next year's fiscal services.

FURTHER RESOLVED, the Board is to take all actions necessary or appropriate to make capital reserves and excess funds at year ends non-taxable, including stating a separate itemization for capital reserves on the assessment statement, separating capital reserves from operating funds of the Association and depositing any early receipts into an escrow account.

RESOLUTION

RESOLVED, that the members of the Christie Lodge Owners Association, Inc. do ratify all actions taken by the Board of Directors of the Christie Lodge Owners Association, Inc. during the fiscal year 2009, as were reported, discussed and/or disclosed at the Annual Owners Meeting held on October 3, 2009.