

**MINUTES OF THE
ANNUAL MEETING OF THE MEMBERS OF
THE CHRISTIE LODGE OWNERS ASSOCIATION, INC.
Saturday, October 2, 2010
Irving, Texas**

I. CALL TO ORDER

Mr. J. Raymond David greeted the audience and thanked them for attending the meeting. After introducing himself as a current CLOA Board member from Texas, Mr. David followed by introducing the other Board and Committee members who were present. He then turned the podium over to Mr. Gary Kujawski, President of the Association.

The Annual Meeting of Members (the “Annual Meeting”) of The Christie Lodge Owners Association, Inc. (the “Association”) was called to order at 9:05 a.m. Central Daylight Time on Saturday, October 2, 2010, at The Hilton Garden Inn DFW Airport South, in the Camelia and Orchid Meeting Rooms, by Gary Kujawski, President of the Association. Mr. Kujawski also welcomed the owners in attendance and introduced Lisa Siegert-Free, General Manager of the Christie Lodge, for an announcement to the members.

Mr. Kujawski advised that the meeting would follow the Agenda included in the owners’ meeting packet, and would proceed informally to the degree possible, stating if parliamentary procedure was called for, Jonasue Phillips 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.

II. PROOF OF NOTICE OF ANNUAL MEETING

A. Proof of Notice. Mr. Kujawski offered the Certificate of Mailing of Notice of the Annual Meeting on October 2, 2010, as executed by Lisa Siegert-Free, Managing Director and General Manager, certifying that the Notice of Annual Meeting was mailed to all owners of record on August 23 and 24, 2010.

B. Establish Quorum. Mr. Kujawski 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 residential units that have 52 votes each; and 277 timeshare units with 52 votes each. A quorum for a meeting is 10% of the total, or 1,553 votes. He received a tabulation of the owners in attendance in person or by proxy, prepared by the John Lee, CFO. Mr. Kujawski noted that there were 3574 votes present at the meeting in person or by proxy; he declared that a quorum was present, and declared an official Annual Meeting of the Christie Lodge Owners 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. Mr. Keith Harmon, so moved and it was seconded by Mr. Ulis Hair. The motion passed by acclamation. Mr. Kujawski then asked for a motion to approve the minutes of the last Annual Meeting as presented. Mr. R. C. Phillips so moved and Ms. Maritta Loo seconded the motion. The minutes were approved by acclamation.

IV. REPORTS OF COMMITTEES

Mr. Kujawski requested reports from the various committees of the Board. He first introduced Bill McReynolds, Chairman of the Audit Committee, to present the Audit Committee report.

A. Audit Committee. Mr. McReynolds noted the first page of the financials [in the owner's packet of handouts] that the independent auditor's states that the Financial Statement presents fairly, known in the accounting industry as a "clean opinion". He went on to review certain items in the audit, stating the fund balance is \$4,971,384 / compared to \$4,315,456 last year; and that cash went up \$407,000 / stating the year ended with positive cash. Mr. McReynolds commented on the \$152,000 in notes payable that was paid of and he highlighted that there is no long-term debt. He stated the revenues went from \$9,132,000 in the prior year, to \$8,205,000 / the big drop being in rental revenues.

He noted reasons for changes in the various fund balance within the audit, and that rental revenue was down this year.

Mr. McReynold's briefly detailed that wages were down approximately \$286,000; that management and administration by \$377,000; and the revenues being in excess of expenses. He went on to state cash provided from operating activities as \$675,000 and an increase in cash of \$406,802, for the year. Mr. McReynolds also 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 reported that there were 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 and thanked the owners in attendance and introduced all staff members in attendance. Ms. Siegert-Free presented detailed information and statistics regarding timeshare owners, the timeshare industry and the American Resort Development Association. Ms. Siegert-Free offered to be available after the meeting for questions. She then introduced Shirley Byrne, Assistant General Manger.

Shirley Byrne presented a great deal of information and hints for owners on: booking their week; deposits and exchanges; the advantage of being flexible with travel arrangements; benefits through Christie Lodge internal programs, such as the Internal Exchange Program, Bonus Night Program and Extended Family Rates; and more.

Ms. Byrne turned over the meeting to the next presenter, Rick Dameron, Chief Engineer; Mr. Dameron presented photographs of various projects, improvements, and costs during the past year. He also fielded many questions from the audience during his presentation.

The complete text of all presentations and reports are in the Transcript of the recording of the meeting.

Mr. Kujawski thanked the managers for their highly informative presentations.

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

A. Explanation of Eligibility Requirements and Election Procedures. Mr. Kujawski explained very briefly the eligibility requirements, as follows: owner must be in good standing and

be current on their maintenance fees; submit a resume to the Christie Lodge Executive Office by August 1, prior to the election; and there cannot be a majority of Board members from any one state.

Mr. Kujawski called for Lucy Aldridge, Chairperson of the Recruitment and Nomination Committee, to address the audience. Ms. Lucy Aldridge reported that this year's election would be for two directors and she announced the names of the three candidates: Gary Kujawski, Doris Mae Smith and John Mertens. Ms. Aldridge called for a motion to approve this slate of candidates. Reggie Phillips made the motion and Al Crane seconded. The Motion to Approve the Slate of Candidates was 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 John Lee, CFO. Jonasue Phillips so moved and Earl Bullock seconded. The motion passed by acclamation.

VIII. ELECTION OF DIRECTORS

Mr. Kujawski introduced John Mertens to speak to the group as a candidate. Mr. Mertens addressed the audience directly, and spoke of his interest in running for this election. It was determined that Doris Mae Smith, another candidate, was not present to speak. Mr. Kujawski then spoke to the audience as a candidate for election to the board.

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. While the ballots were being collected and counted, Mr. Kujawski introduced Bobby Coates from RCI. Mr. Coates gave a presentation on: RCI's resort Recognition program, the RCI Weeks program, updated features of RCI membership website; and Mr. Coates answered various questions.

Mr. Kujawski thanked Mr. Coates for his informative presentation. As votes were being counted, Mr. Kujawski opened the floor to various questions, which were answered by Management, board, or committee members, as needed.

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

IX. UNFINISHED BUSINESS

Mr. Kujawski had no unfinished business to present and no items were presented by the other Board members or owners.

X. NEW BUSINESS

Under New Business, Mr. Kujawski presented several resolutions to the members for vote.

A. Assessment/Reserves Resolution(s). Mr. Kujawski 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. Kujawski asked the members for a motion to approve the resolution(s), as read. J. Raymond David, so moved. Ms. Jonasue Phillips 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. Kujawski 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.

Reggie Phillips moved to ratify the acts of the Board based upon the information received at the meeting. Earl Bullock seconded the motion. There being no further discussion, 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

There being no further business or discussion, Mr. Kujawski then called for a Motion to Adjourn. Jan Hair so moved and Jonasue Phillips seconded the motion. The Motion to Adjourn the meeting was passed by acclamation.

Mr. Kujawski thanked everyone for coming and encouraged them to come to the next owners meeting, which will be held at the Christie Lodge in Avon, Colorado.

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.