

**MINUTES OF THE  
ANNUAL MEETING OF THE MEMBERS OF  
THE CHRISTIE LODGE OWNERS ASSOCIATION, INC.  
Saturday, October 1, 2011  
Avon, Colorado**

**I. CALL TO ORDER**

Mr. Gary Kujawski welcomed the audience, introduced himself, and thanked everyone for attending the meeting. 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 Daylight Time on Saturday, October 1, 2011, at The Christie Lodge, in the Beaver Creek Conference Room by Gary Kujawski, President of the Association. Mr. Kujawski introduced the CLOA Board of Directors: Ms. Lucy Aldridge, Mr. J. Raymond David, Mr. Bill McReynolds, Mr. Art Olson, Mr. John Mertens, Mr. Steve Vickers, who was unable to attend in person, and Committee Members Ms. Jonasue Phillips, Ms. Kristen Nostrand, and Mr. John Perkins. Also introduced were Mr. Mike Clowdus, Association Legal Counsel, and Ms. Janie Beal, representing Interval International.

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. Mike Clowdus offered the Certificate of Mailing of Notice of the Annual Meeting on October 1, 2011, 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 25, 2011.

B. Establish Quorum. Mr. Mike 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 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, which was prepared by the John Lee, CFO. Mr. Clowdus noted that there were 2,851 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 then asked for a motion to approve the minutes of the last Annual Meeting as presented. Mr. Michael Novovesky so moved and Ms. Gloria Adams 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 \$3,947,166; and cash of \$2,516,000. Mr. McReynolds commented that there will not be a dues increase for the coming fiscal year and he highlighted that there is no long-term debt. He noted that we have a total revenue of \$8,367,000.00 and expense of \$9,392,000.00 for a decrease of \$1,024,000.00.

He noted reasons for changes in the various fund balance within the audit, the completion of the renovation without borrowing funds, and that rental revenue was down this year.

Mr. McReynolds also offered to be available to answer questions after the meeting.

B. Legal Committee. Mr. Kujawski then stated that, as Chair of the Legal Committee, there were no legal matters to report.

## **V. REPORT OF OFFICERS AND MANAGEMENT**

Mr. Kujawski introduced Ms. Lisa Siegert-Free, Managing Director and General Manager of the Lodge. Ms. Siegert-Free welcomed and thanked the owners in attendance and introduced all staff members in attendance. She then introduced Mr. John Lee, Chief Financial Officer.

Mr. Lee presented information and updates regarding the current nationwide push by transfer companies who are attempting to acquire timeshare weeks. Mr. Lee encouraged owners to be aware of their sales tactics and to seek assistance before making any decisions. He then referred the owners to the Call to Action handout in their packets, and explained how to report unwanted solicitations. Mr. Lee then turned the meeting over to the next presenter, Mr. Tom Butz, Reservations Manager.

Mr. Butz presented a variety of ways in which owners can make reservations, maximize their trading power, and find the best options when working with Exchange Companies. He encouraged everyone to contact the reservations department for assistance in order to get the best value for their ownership. Mr. Butz then introduced the next presenter, Mr. Rick Dameron, Director of Operations.

Mr. Dameron showed a slide presentation and spoke about the various improvement projects, the recent renovation and their associated costs during the past year. He noted that the renovation was completed in ninety days and that the majority of the work was done by the Christie Lodge staff, which resulted in a big savings to the owners.

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. Clowdus 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 reported that this year's election would be for three directors and announced the names of the candidates: Mr. J. Raymond David, Ms. Lucy Aldridge, Ms. Kristen Nostrand, and Ms. Christina Holcomb. Mr. Kujawski called for a motion to approve the slate of candidates. Mr. John Mertens made the motion and Mr. Mike Novovesky 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 John Lee, CFO. Mr. Reggie Phillips so moved and Mr. Marshall Gish seconded. The motion passed by acclamation.

## **VIII. ELECTION OF DIRECTORS**

As Mr. Kujawski introduced the candidates they each spoke briefly about their background and desire to serve as a Board member for the Christie Lodge Owners Association.

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 submit the ballots to the CFO for counting. While the ballots were being collected and counted, Mr. Kujawski introduced Janie Beall from Interval Internal International. Ms. Beall gave a presentation on: II's new programs, such as the Get-Away Program, Interval Platinum, and Interval Community; the added benefits of exchanging with II; and the updated features on the II membership website.

Mr. Kujawski thanked Ms. Beall for her informative presentation, and asked the owners permission to move to the next agenda item while they awaited the results of the ballot count.

## **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. Clowdus presented 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. He noted that the text of the resolution(s) were included in each owners information packet.

Mr. Clowdus asked the members for a motion to approve the resolution(s) as read and Ms. Nancy Lafayette, so moved. Ms. Terry Vickers then seconded the motion to approve the resolution(s) as presented, and the motion passed by acclamation.

B. Presentation and Discussion of the Third Amendment. Mr. Kujawski, Mr. Clowdus, and Ms. Lisa Siegert-Free reviewed the current Amended and Restated Condominium Declaration to the Christie Lodge with the owners, explaining that as it currently stands, the Timeshare Program would end in 2022. On behalf of the Board of Directors, they recommended passage of the Third Amendment, which would extend the Timeshare Program to the year 2062 and thereby providing owners with many more years to enjoy their weeks, and for those seeking an exit plan, passage would not only offer additional time for them to wait on a more favorable market, but would also add value to their ownership by not ending it in 10 years. At that time Mr. Mike Poole called for questions and Mr. John Mertens stated the motion in its entirety and moved to approve the Third Amendment as presented. Mr. David Caldwell seconded the motion and Mr. Kujawski opened the meeting for discussion. A very informative question and answer session followed with many members participating. The complete text of the discussion can be found in the Transcript of the recording of the meeting. Mr. Kujawski asked if the question should be called and the owners responded affirmatively. Voting on the Third Amendment then proceeded by written ballots which were distributed to the owners upon check-in.

C. Ballot Results. Ms. Siegert-Free announced that election ballots for Board members had been counted and Ms. Lucy Aldridge, Mr. J. Raymond David, and Ms. Kristen Nostrand were elected to the Board of Directors. Ms. Siegert-Free thanked the Association members for their participation and invited Ms. Christina Holcomb to serve as a committee member for the Board.

Ms. Siegert-Free then announced that the Third Amendment passed by a significant majority of votes and thanked everyone for their support in extending the program for another forty years.

D. 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. Mr. Marshall Gish moved to ratify the acts of the Board based upon the information received at the meeting. Ms. Jonasue Phillips seconded the motion. There being no further discussion, Mr. Clowdus then called for a vote on the motion to ratify the acts of the Directors for the prior year. The motion passed by acclamation.

## **X. ADJOURNMENT**

There being no further business or discussion, Mr. Kujawski then called for a Motion to Adjourn. Ms. Terry Vickers so moved and Ms. Phyllis Gish seconded the motion. The Motion to Adjourn the meeting was passed by acclamation.

Ms. Siegert-Free then thanked the Association members for their input and discussion during the meeting and invited everyone to the poolside reception.

## **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, 2011 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 2011-12 assessments received prior to June 30, 2011, 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 2011, as were reported, discussed and/or disclosed at the Annual Owners Meeting held on October 1, 2011.