

**MINUTES OF THE
ANNUAL MEETING OF THE MEMBERS OF
THE CHRISTIE LODGE OWNERS ASSOCIATION, INC.
Saturday, October 12, 2013
Chicago, IL**

I. CALL TO ORDER

Mr. J. Raymond David 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. Central Daylight Time on Saturday, October 12, 2013 at The Crowne Plaza Hotel in Rosemont, IL, in the Love “A” Conference Room by J. Raymond David, President of the Association. Mr. David introduced the CLOA Board of Directors: Ms. Lucy Aldridge, Ms. Christina Holcomb, Mr. John Mertens, Ms. Kristen Nostrand, Mr. John Perkins and Ms. Jonasue Phillips. Mr. David also introduced Committee Members: Mr. Scott Fulton, Mr. Earl Hauserman, Mr. Bill McReynolds, and Mr. Art Olson. Also introduced were Mr. Bobby Coates from RCI and Mr. Greg Penrod from Sedona Pines Resort.

Mr. David 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 were called for, Ms. Phillips would serve as Parliamentarian. Mr. David 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 documented into the written record.

II. PROOF OF NOTICE OF ANNUAL MEETING

A. Proof of Notice. Mr. David offered the Certificate of Mailing of Notice of the Annual Meeting on October 12, 2013, 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 September 4, 2013.

B. Establish Quorum. Mr. David 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 John Lee, CFO. Mr. David noted that there were 3,060 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. David then asked for a motion to waive the reading of the minutes of the 2012 Annual Meeting. Ms. Maureen Hutton made a motion to waive the reading of the prior year's minutes. Ms. Carol Cole seconded the motion, which passed by acclamation. Mr. David then asked for a motion to approve the minutes of the 2012 Annual Meeting as presented. Mr. Earl Hauserman so moved and Mr. Ronald Sherer seconded the motion. The minutes were approved by acclamation.

IV. REPORTS OF COMMITTEES

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

A. Audit Committee. Mr. McReynolds asked the owners to refer to the independent auditor's report in their meeting packet. Mr. McReynolds noted that the independent auditor's letter of opinion states that the Financial Statement presents fairly, known in the accounting industry as a "clean opinion"; there were no material misstatements. In his review the financial reports he shared that the Association's financial condition is sound with a cash in bank balance of \$2, 917,000. He also noted that the \$2,000,000 in revenue received through the rental program helped offset lost maintenance fees on the weeks which the Association took back during the year. The Association ended the fiscal year with a fund balance of \$4,033,000.00. Mr. McReynolds thanked Lisa Siegert-Free, General Manager, John Lee, CFO and Rick Dameron, Executive Director of Operations for their excellent work and the many improvements made at the lodge during the last year, which were done without borrowing funds or incurring any debt. There were no questions or discussion from owners and Mr. McReynolds thanked the owners for their support of the Christie Lodge and encouraged everyone to come see how great the lodge looks.

B. Legal Committee. Mr. David then stated that there were no legal matters to report.

V. REPORT OF OFFICERS AND MANAGEMENT

Mr. David 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 presented information on the state of the timeshare industry, owner satisfaction and demographics as they pertain to Christie Lodge owners. She also shared information on ARDA, the American Resort Development Association, and ARDA-ROC, the Resort Owner Coalition, and their work on behalf of timeshare owners. Vail, Beaver Creek and the Vail Valley as a whole have seen many exciting additions and upgrades, which were also shared with the owners. Ms. Siegert-Free introduced Mr. Rick Dameron, Executive Director of Operations.

Mr. Dameron showed a slide presentation and spoke about the various improvement projects, and renovations that have been implemented, some of which are: ADA ramps, ADA assistive devices, telephone voice mail system, guest business center, air conditioning in units, room safes, replacement of unit patio doors, new reservations system, and the renovation of the elevators. Mr. Dameron also shared reservation information and tips on making your week work to your best advantage.

Mr. David thanked the managers for their very informative presentations.

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

Mr. David explained the eligibility requirements of candidates and that the Board can not have a majority of Directors from one state.

A. Explanation of Eligibility Requirements and Election Procedures. Mr. David briefly explained 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. David then introduced Ms. Christina Holcomb, Recruitment and Nomination Committee Chair. Ms. Holcomb referred owners to the candidate resumes in their meeting packets and introduced the candidates present, noting that Mr. Ted Langworthy was unable to attend in person. She then reminded owners that they are voting to fill two vacancies on the Board. Each of the following candidates spoke briefly regarding their timeshare ownership at the lodge and their personal qualifications: Mr. Tim Fisher, Mr. Scott Fulton, Mr. Earl Hauserman, and Mr. John Perkins.

Mr. David then called for a motion to place candidates on the slate. A motion was made by Mr. Reggie Phillips to place all five candidates on the ballot. The motion was seconded by Mr. Ron Sherer and passed by acclamation.

VII. APPOINTMENT OF THE ELECTION INSPECTORS.

Mr. David then asked for a Motion to Waive Appointment of Election Inspectors, with the duties of the inspectors to be fulfilled by John Lee, CFO. Ms. Lucy Aldridge so moved and Ms. Liz Tallberg seconded. The motion passed by acclamation.

VIII. ELECTION OF DIRECTORS

The election of directors proceeded by written ballots which were distributed to the owners during registration. Mr. David asked the staff to collect and submit the ballots to the CFO for counting. While the ballots were being collected and counted, Mr. David introduced Mr. Bobby Coates from RCI and Mr. Greg Penrod from Sedona Pines Resort. Mr. Coates and Mr. Penrod presented information on RCI's points conversion program, and the added benefits of exchanging with RCI.

Mr. David thanked Mr. Coates and Mr. Penrod for their informative presentation and announced the two newly elected Directors: Mr. Earl Hauserman and Mr. John Perkins.

IX. UNFINISHED BUSINESS

Mr. David had no unfinished business to present and no items were presented by the other Board members. Several owners voiced their thanks to the Board and Management for their continued efforts in managing expenses and maintaining the condition of the property, which has increased the value of their weeks.

X. NEW BUSINESS

Under New Business, Mr. David presented two resolutions to the members for vote and noted that the text of the resolutions were included in each owners' information packet.

Assessment/Reserves Resolution. Mr. David explained that the purpose of this resolution 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 that supports the Association's practice, which is 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.

Mr. David asked the members for a motion to approve the Assessment/Reserves Resolution as read. Mr. Reggie Phillips made the motion to approve the resolution and Mr. Roy Balduf seconded the motion. A brief discussion took place and was followed by a vote; the motion passed by acclamation.

Resolution Ratifying all Board of Directors' Acts. Mr. David then asked that the Association members ratify 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. David asked the members for a motion to approve the Resolution Ratifying all Board of Directors' Acts as read. Ms. Maureen Hutton made the motion to approve the resolution and Mr. Tom Gilchrist seconded the motion, which passed by acclamation.

Mr. David thanked the members for attending and for their support and dedication to the lodge. Ms. Siegert-Free thanked the Board of Directors for their work and representation of the owners.

XI. ADJOURNMENT

There being no further business or discussion, Mr. David then called for a motion to adjourn. Mr. Ron Sherer so moved and Mr. Rudy Enanoza seconded the motion. The motion to adjourn the meeting was passed by acclamation at 11:30 a.m. CDT and the meeting adjourned.

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, 2013 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 2013-14 assessments received prior to June 30, 2013, 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 2013, as were reported, discussed and/or disclosed at the Annual Owners Meeting held on October 12, 2013.