

**MINUTES OF THE
ANNUAL MEETING OF THE MEMBERS OF
THE CHRISTIE LODGE OWNERS ASSOCIATION, INC.
Saturday, October 04, 2014
Avon, CO**

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. Mountain Daylight Time on Saturday, October 04, 2014 at The Christie Lodge, Avon, CO in the Beaver Creek Conference Room by Mr. J. Raymond David, President of the Association. Mr. David introduced the CLOA Board of Directors: Ms. Lucy Aldridge, Ms. Christina Holcomb, Mr. Earl Hauserman, Ms. Kristen Nostrand, Mr. John Perkins and Ms. Jonasue Phillips. Mr. David also introduced Committee Members: Mr. Tim Fisher, Mr. Scott Fulton, Mr. Ted Langworthy, Mr. Bill McReynolds, and Mr. John Mertens. Absent was Mr. Art Olson. Also introduced were Mr. Todd Herrick and Mr. Bobby Coates from Highlands Resorts, Mr. Greg Penrod from Highlands Resorts, Mr. Ken Ka and Mr. Ryan Patberg from RCI.

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 the 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 4, 2014, 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 26, 2014.

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 2,922 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 2013 Annual Meeting. Mr. John Mertens made a motion to waive the reading of the prior year's minutes. Mr. Earl Hauserman seconded the motion, which passed by acclamation. Mr. David then asked for a motion to approve the minutes of the 2013 Annual Meeting as presented. Ms. Ima Dunn so moved and Ms. Carla McGuire 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". In his review of the financial reports he stated that the Association is in the best financial condition since 1986, with a cash in bank balance of \$4,600,000 and, due to the rental program and new sales, the association saw an income increase of \$892,000 over last year. Advance deposits are \$300,000 ahead of last year and expenditures were under budget by \$394,000. Mr. McReynolds thanked Ms. Lisa Siegert-Free and her management team for a tremendous job in managing the Association's finances. There were no questions or discussion from owners and Mr. McReynolds thanked the owners for their support of the Christie Lodge.

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 provided information on the Association's sales program through Highlands Resorts and Sedona Pines, noting that the five new sales centers have produced approximately nine hundred new Christie Lodge owners to-date. Her presentation highlighted many exciting additions and upgrades in Vail, Beaver Creek and the Vail Valley as a whole, including preparations for 2015 World Ski Championships. Ms. Siegert-Free introduced Mr. Rick Dameron, Executive Director of Operations.

Mr. Dameron's slide presentation provided information and costs of the extensive improvement projects that have been implemented at the Lodge, some of which are: interior remodel of elevator cabs; office merge of Reservations and Owner Relations which created one new functional space now titled Vacations and Owner Services; glass handrails on the first floor level; pool resurfacing and pool chair-lifts; ADA Unit 100 remodel, ADA drinking fountains and wheelchair ramps; Fitness Center remodel; boiler drain heat system and various other renovations.

Mr. Dameron also shared reservation information and tips on making your ownership work to your best advantage. He thanked the Board of Directors for their dedication and passionate commitment to increase the value of ownership at the Christie Lodge. Mr. David thanked the managers for their presentations.

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

Mr. David explained the eligibility requirements of candidates.

A. Explanation of Eligibility Requirements and Election Procedures. Owners 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 Ms. Erin Green was unable to attend in person. She then reminded owners that they are voting to fill three vacancies on the Board. Each of the following candidates spoke briefly regarding their timeshare ownership at the lodge and their personal qualifications: Mr. J. Raymond David, Mr. Tim Fisher, Mr. Bill McReynolds and Ms. Kristen Nostrand.

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 Ms. Lucy Aldridge 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. Carla McGuire so moved and Mr. Reggie Phillips 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 announced that the meeting would proceed with New Business. Old Business would be opened for discussion at a point later in the meeting.

IX. NEW BUSINESS

Mr. David introduced Association Attorney, Mr. Jerry Oliver. Mr. Oliver explained that the proposed 4th Amendment to the Condominium Documents will give owners the option to convert their deeded ownership to a non-deeded membership and will provide many benefits to the Association, to the current owners and to prospective owners that are not now available with a deeded ownership. Some of those benefits are: cost savings to the Association on foreclosures and probates, which helps to keep your maintenance fees low; conversion is completely voluntary and owners do not lose any of their rights and/or privileges; provides lower transaction costs to owners;

no delays in closing with new owners; simplified estate planning and transfers of ownership and protects owners from personal liability if the Association owners are sued individually. He also noted that many associations opt to convert all timeshare interests to non-deeded, but that the Christie Lodge is giving each existing owner the option to convert and that the sales of new weeks going forward would all be non-deeded. He then opened the meeting to discussion. Owners in attendance brought forth many good questions and clarification was provided by Mr. Oliver and the Board of Directors, who also noted that the Association will see a significant saving in foreclosure costs by bringing long delinquent weeks back into inventory and re-selling them to new dues-paying owners. Mr. Michael Gish called for the end of discussion and Mr. David asked the owners to proceed by casting their written ballots, which were distributed during registration.

While the ballots were being collected and counted, Mr. David introduced Mr. Ken Ka, RCI Account Executive. Mr. Ka presented a brief history of RCI noting that the company is headquartered in Indianapolis, IN and has been in business 40 years. RCI pioneered the concept of vacation exchange, is the industry leader with over 4,500 affiliated resorts worldwide and over 4 million members. Mr. Ka also spoke about RCI's customer service programs, including "Count on Me." Mr. David thanked Mr. Ka for his presentation.

Mr. David then 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. Ms. Maureen Hutton made the motion to approve the resolution and Mr. Ralph Dines seconded the motion. There being no questions or discussion brought forth, 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. Lorraine Bivians made the motion to approve the resolution and Ms. Janice Henderson seconded the motion, which passed by acclamation.

Mr. David announced the voting results, stating that the 4th Amendment passed and the following candidates were elected to the Board: Mr. J. Raymond David, Mr. Bill McReynolds and Ms. Kristen Nostrand.

X. UNFINISHED BUSINESS

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

Mr. David thanked the owners for their attendance and invited them to remain for the raffle drawing that would take place after the meeting adjourned.

XI. ADJOURNMENT

There being no further business or discussion, Mr. David called for a motion to adjourn. Ms. Sherri Hannon so moved and Ms. Rosalind Hair seconded the motion. The motion to adjourn the meeting was passed by acclamation at 11:50 a.m. MDT 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, 2014 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 2014-15 assessments received prior to June 30, 2014, 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 end 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 2014, as were reported, discussed and/or disclosed at the Annual Owners Meeting held on October 4, 2014.