

**MINUTES OF THE
ANNUAL MEETING OF THE MEMBERS OF
THE CHRISTIE LODGE OWNERS ASSOCIATION, INC.
Saturday, September 26, 2015
Houston, TX**

I. CALL TO ORDER

Mr. J. Raymond David welcomed the owners, 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 9:05 a.m. Central Daylight Time on Saturday, September 26, 2015 at The Hilton Houston Westchase Hotel in the Westwind Ballroom by Mr. J. Raymond David, President of the Association. Mr. David introduced the CLOA Board of Directors: Ms. Christina Holcomb, Mr. Earl Hauserman, Mr. Bill McReynolds, 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, and Mr. John Mertens. Also introduced was Mr. Jerry Oliver, Association Attorney and Mr. Ken Ka, RCI Account Representative.

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 September 26, 2015, 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 21, 2015.

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 Mr. Eric Lickteig, CFO. Mr. David noted that there were 15,529 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 2014 Annual Meeting. Ms. Linda Christians, Bellaire, TX made a motion to waive the reading of the prior year's minutes. Ms. Brenda Long, Houston, TX seconded the motion, which passed by acclamation. Mr. David then asked for a motion to approve the minutes of the 2014 Annual Meeting as presented. Mr. Reggie Phillips, Crowley, TX so moved and Mr. Bob Wilson, Sugarland, TX 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 presented the audit, noting that we received a clean opinion. Although the Association saw additional expenditures for Project Wow, the glass handrails and the new snowmelt system, the Association still saw a significant increase in cash. Association owned inventory decreased, resulting in additional cash from sales and collections. Mr. McReynolds thanked the Management team for a tremendous job in managing the Association's finances and the owners for their support of the Christie Lodge.

B. Legal Committee. Mr. David introduced Mr. Tim Fisher, Legal Committee Chair, who reported that there was one legal issue pending due to a lawsuit by a disgruntled employee. Mr. Fisher stated that the Association Attorneys and insurance company are vigorously defending the lodge and fully anticipate that insurance will cover most of the costs.

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 for attending and introduced the staff members in attendance. She presented an overview of the current health and trends of the timeshare industry along with 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 we have almost 1,300 new owners. This equates to approximately \$1,161,121 in dollars for the Association and new maintenances fees of \$597,090 per year. Her presentation highlighted the exciting additions and upgrades in Vail, Beaver Creek and throughout the Vail Valley. Ms. Siegert-Free introduced Mr. Rick Dameron, Executive Director of Operations.

Mr. Dameron's slide presentation provided information on current renovations and improvements at the lodge. Project Wow encompasses a major renovation of the units including the reconfiguration of the angled rooms, solid core doors, a renovation of the bathrooms and the installation of a cook-top, new sink and full size refrigerator in the kitchens. Additional upgrades throughout the lodge include the remodel of the Fitness Center and replacement of its equipment; completion of the glass handrail project; replacement of the parking lot ramp; installation of a snowmelt system in the new ramp; and new ceilings in the hallway building entries. Our Activity Center also received a new pool table, air hockey table and a shuffle board table was placed in the common area near the indoor pool. A new plow truck for snow removal was purchased and a new security camera system was also installed.

Mr. Dameron also announced the new in-house activities to enjoy during your stay and tips on getting the most value from your ownership. He thanked the owners for their support of the Christie Lodge and encouraged them to make a reservation and experience all the renovations and upgrades.

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. Kristen Nostrand, Recruitment and Nomination Committee Chair. Ms. Nostrand referred owners to the candidate resumes in their meeting packets and introduced the candidates. 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: Ms. Christina Holcomb, Ms. Caroline Nelson, Ms. Jonasue Phillips and Mr. Robert Ricks.

Ms. Nostrand then called for a motion to place the candidates on the slate, which was made by Mr. Reggie Phillips and seconded by Mr. John Mertens. The motion 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 Mr. Eric Lickteig, CFO. Mr. Earl Hauserman 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.

IX. UNFINISHED BUSINESS

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

X. NEW BUSINESS

Mr. David introduced Association Attorney, Mr. Jerry Oliver, who explained the proposed 5th Amendment to the Condominium Documents. He stated that the Board is concerned about rising costs to the Association and its owners as a result of the transfer of membership interests to individuals and/or entities that do not intend to make maintenance fees payments and have no intent

to participate in meaningful ownership at the Christie Lodge. As a result, the Board would like to amend the Declaration to require that the Association be provided with notice of any proposed transfer and information concerning the proposed transferee prior to the transfer so that the Association may verify the validity of the transferee. Any such amendment to the Declaration would also require that any transfer that has not complied with the foregoing will be void and will result in the transferor remaining liable for any assessments incurred not only prior to the attempted transfer but also following the attempted transfer. The amendment would also include a provision requiring any individual or entity receiving a transfer to be current on their maintenance fees on all accounts prior to receiving any new week(s). He then opened the meeting to discussion and owners in attendance brought forth many good comments and questions.

Mr. Oliver also presented information on the proposed Bylaw changes, explaining that the Association continues to seek new and better ways to communicate and protect our owners; therefore the Board of Directors recommends adoption of these amendments to the Condominium Declaration and Bylaws.

Article IV Notice of Meetings: 4.4 Notice of Meetings. This amendment would give owners the option to receive meeting notifications electronically, via email. This amendment would not eliminate paper mailings; notifications would still be able to be received by U.S. Postal Service, but owners wishing to receive notifications electronically would then have this option.

Article V Board of Directors: 5.1 Number and Qualification. Due to the limited number of Commercial Owners, the Board would like to make the appointment of an Ex Officio member optional, rather than required.

Article V Board of Directors: 5.7 Regular Board Meetings and 5.8 Special Board Meetings. This amendment would give the Board of Directors the option to receive meeting notifications electronically, via email. This amendment would not eliminate paper mailings; notifications would still be able to be received by U.S. Postal Service, but Directors wishing to receive notifications electronically would then have this option.

While the ballots for Amendment 5 and the Bylaws changes were being collected and counted, Mr. David introduced Mr. Ken Ka, RCI Account Executive. Mr. Ka made a presentation regarding the use of points, making reservations, banking their weeks and trade values. He also alerted them to several scams by RCI imposters. Mr. David thanked Mr. Ka for his presentation.

Mr. David announced the voting results, stating that the 5th Amendment passed, the changes to the Bylaws passed and the following candidates were elected to the Board: Ms. Christina Holcomb and Ms. Jonasue Phillips.

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. Mr. John Mertens made the motion to approve the resolution and Ms. Kim Davies 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. Mr. Ted Langworthy made the motion to approve the resolution and Mr. Doug Miller seconded the motion, which passed by acclamation.

There being no further new business, 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. Brenda Long so moved and Mr. Fred Pelsenger 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, 2015 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 2015-16 assessments received prior to June 30, 2015, 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 2015, as were reported, discussed and/or disclosed at the Annual Owners Meeting held on September 26, 2015.