

**MINUTES OF THE
ANNUAL MEETING OF THE MEMBERS OF
THE CHRISTIE LODGE OWNERS ASSOCIATION, INC.
Saturday, September 30, 2017
Fort Worth, 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 Standard Time on Saturday, September 29, 2017 at the Radisson Fort Worth – Fossil Creek Hotel in the Meacham Flatiron room, by Mr. J. Raymond David, President of the Association. Mr. David introduced the Association Board of Directors: Mr. Tim Fisher, Ms. Christina Holcomb, Mr. Earl Hauserman, Mr. Bill McReynolds, Ms. Kristen Nostrand, and Ms. Jonasue Phillips. Mr. David also introduced Committee Members: Mr. Scott Fulton, Mr. Ted Langworthy, and Mr. John Mertens and Mr. Allen Robinson. Also introduced was Mr. Jerry Oliver, Association Attorney, and Mr. David Callaghan, Interval International and Mr. Alve Campbell, Interval International.

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 30, 2017, 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 8, 2017.

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 3,510 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 2016 Annual Meeting. Mr. Bill Davis, Weatherford, TX made a motion to waive the reading of the prior year's minutes. Mr. Irl Holt, Vernon, TX seconded the motion, which passed by acclamation. Mr. David then asked for a motion to approve the minutes of the 2016 Annual Meeting as presented. Mr. William Caldwell, Lakewood, CO so moved and Ms. Ann Schenkman, Greeley, CO 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 Mr. 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. He referred the owners to the financial reports in their meeting packet, stating that cash equivalent is \$5,772M vs. last year \$5,445M after we spent \$1.79M on renovations. The fund balance is \$6.458M. Association intervals increased by 500 interval units. Payroll is up from the prior year due to the hiring of ten staff members. Project WOW renovations are being done by in-house staff. Mr. McReynolds thanked Management for their care in keeping expenses down and for another year without a maintenance fee increase.

B. Legal Committee. Mr. David introduced Mr. Tim Fisher, Legal Committee Chair, who thanked Management for operating conservatively and limiting risk to the Association.

Mr. Fisher reported there is one personnel matter being monitored by an outside service and thought Management and Human Resources is doing a great job of handling the risk.

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. Ms. Siegert-Free's presentation included information about newly added daily year-round flights to Eagle Vail airport from Dallas / Ft. Worth airport. She also presented a comparison of owner maintenance fee costs to the industry average, noting that Christie Lodge fees are significantly lower with other resorts. In addition Ms. Siegert-Free presented Christie Lodge customer ratings for the past three years and how that could attract new buyers. She added that Vail Resorts acquired Stow Mountain Resort for a purchase price of \$41M. Ms. Siegert-Free presented information on the new Beaver Creek Hiking Center and new restaurant options in the area.

Ms. Siegert-Free introduced Mr. Rick Dameron, Executive Director of Operations. Mr. Dameron's presentation provided Capital Reserve Fund information and an explanation of which projects qualify for Capital Reserve funding. He presented an update on Project WOW, which is the major unit renovation that is currently in progress. This remodel includes 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. The Project WOW team completed 121 one bedroom units. He also updated the owners on the parking lots which had the asphalt removed and replaced and restriped in front of the building. He thanked the owners for their support of the Christie Lodge. He then added, Beaver Creek Blvd will be redesigned next year, and informed on how ARDA continues to fight fraud.

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 1st prior to the election; and there cannot be a majority of Board members from any one state.

Mr. David then stated that owners will be voting to fill three director positions on the Board. He explained that anyone who runs must be owner and in good standing. Candidates must submit their resume to the Association prior to August 1st and interview with the Board Recruitment and Nomination Committee. He introduced Ms. Christina Blackmon, Recruitment and Nomination Committee Chair. Ms. Blackmon referred owners to the candidate resumes in their meeting packets and announced the slate of candidates. She then reminded owners that they are voting to fill three vacancies on the Board. Ms. Blackmon then called for a motion to place the candidates on the slate, which was made by Mr. Reggie Phillips, Crowley, TX and seconded by Mr. Dennis Oxelgren, Fort Worth, TX. The motion passed by acclamation.

Each of the following candidates spoke briefly regarding their timeshare ownership at the lodge and their personal qualifications: Mr. Bill McReynolds, Mr. Ted Langworthy, Mr. John Mertens and Mr. Douglas Miller.

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. Motion was made by Mr. Earl Hauserman, Louisville, CO and seconded by Mr. Jonathan David, Highland Village, TX. 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

No unfinished business

X. NEW BUSINESS

Mr. David announced that they will be voting on Amendment 6 and 7. He then introduced Ms. Lisa Siegert-Free.

Ms. Siegert-Free explained to the owners that there are owners renting their units for short term through Airbnb and VRBO. This is causing logistical problems with the front desk and housekeeping. Owners are entitled to a mid week clean and these rooms are not getting cleaned nightly therefore, this is affecting our ratings. Mr. David reminded everyone that ratings affect your trading value.

Ms. Siegert-Free stated that Amendment 6 exempts families and it does not affect bonus nights. Owners can still rent out there units but will no longer be able to split the week with multiple renters. Questions were answered about the rental program at the Christie Lodge from various owners. Ms. Siegert-Free stated there is 60/40 split between the owner and lodge.

Mr. Jerry Oliver said the town of Avon passed regulations for short term rentals. Short term rentals must be licensed with the town and pay sales tax. A short term rental is defined by the town of Avon as less than 30 days.

The board recommends a yes vote due to the logistical issues the lodge is having with the front desk and housekeeping.

Suggestions were made to add the information about the town of Avon ordinance on the owner website and owner messaging.

A. AMENDMENT 6

Mr. Oliver stated that the Amendment 6 is on page 17 of the owner packet. Mr. David asked the staff to collect the ballots for Amendment 6.

B. AMENDMENT 7

Mr. Oliver stated Amendment 7 is on page 21 of the owner packet. Mr. Oliver also stated 2.9 BI complies with the rule that the commercial units can be partitioned with board approval. Mr. David asked the staff to collect the ballots for Amendment 7.

C. **PRESENTATION ON II**

Mr. David Callaghan presented on Interval International and ownership at the lodge to the owners. Mr. David thanked him for his presentation.

Mr. David announced the election results. The new board members are Mr. Bill McReynolds, Mr. Theodore Langworthy, and Mr. John Mertens. Mr. David also announced that Amendment 6 and Amendment 7 passed with no issues.

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, Crowley, TX made the motion to approve the resolution and Ms. Sheryl Miller, Horseshoe Bay, TX 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. Jonathan David, Flower Mound, TX, made the motion to approve the

resolution and Ms. LaRae Lynn Sanders, Plano, TX seconded the motion, which passed by acclamation.

There being no further new business, Mr. David thanked the owners for their attendance.

XI. ADJOURNMENT

There being no further business or discussion, Mr. David called for a motion to adjourn. Mr. Bill Davis so moved and Ms. Rosalind Hair, Fort Worth, TX seconded the motion. The motion to adjourn the meeting was passed by acclamation at 11:38 a.m. CST 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, 2017 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 2017-18 assessments received prior to June 30, 2017, 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 2017, as were reported, discussed and/or disclosed at the Annual Owners Meeting held on September 30, 2017.