

**MINUTES OF THE
ANNUAL MEETING OF THE MEMBERS OF
THE CHRISTIE LODGE OWNERS ASSOCIATION, INC.
Saturday, October 13, 2018
Avon, CO**

I. CALL TO ORDER

Ms. Jonasue Phillips welcomed the owners, introduced herself, 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 11:04 a.m. Mountain Daylight Time on Saturday, October 13, 2018 at The Christie Lodge, Avon, Colorado in the Beaver Creek Room, by Ms. Jonasue Phillips, President of the Association. Ms. Phillips introduced the Association Board of Directors: Ms. Christina Blackmon, Mr. Earl Hauserman, (not in attendance, due to illness), Mr. Bill McReynolds, Mr. John Mertens, Mr. Ted Langworthy, and Mr. Tim Fisher. Ms. Phillips also introduced Committee Members: Mr. J. Raymond David, Mr. Jonathan David, Ms. Kristen Nostrand, and Mr. Allen Robinson. Also introduced were Mr. Chris McGill, Interval International, and Mr. Seth Holliday, Interval International, and Michael Heller, MH Marketing, Jeff Shuminer, MH Marketing.

Ms. Phillips advised that the meeting would follow the agenda included in the owners’ meeting packet, and would proceed informally to the degree possible, stating Roberts Rules of Order apply and if contested, Mr. Tim Fisher would serve as Parliamentarian. Ms. Phillips described the motion procedures to be followed and reminded the audience to wait for a staff member and use the microphone when addressing the meeting, clearly stating name, city and state in order to have the proceedings properly documented into the written record.

II. PROOF OF NOTICE OF ANNUAL MEETING

A. Proof of Notice. Ms. Phillips offered the Certificate of Mailing of Notice of the Annual Meeting on October 13, 2018, 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, 2018.

B. Establish Quorum. Ms. Phillips 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; 3 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. She received a tabulation of the owners in attendance in person or by proxy, which was prepared by Mr. Eric Lickteig, CFO. Ms. Phillips noted that there were 3,786 votes present at the meeting in person or by proxy; she 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

Ms. Phillips then asked for a motion to waive the reading of the prior year's minutes and approve the minutes of the 2017 Annual Meeting. Daniel Madden, Illinois made a motion to waive the reading of and approve the prior year's minutes and Mike Novavesky, Colorado seconded the motion, which passed by acclamation.

IV. REPORTS OF COMMITTEES

Ms. Phillips 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 audit report in their meeting packet. He pointed out that on the balance sheet we have almost \$8.1 M in total assets and \$3.4 M in liabilities with a fund balance of \$4.7 M. The cash is down from last year about a million due to the roof repair. The income statement shows operating revenue of almost \$9.7 M, expenses of \$9.3 M leaving a net income of \$356,000 in the operating fund. For the replacement fund, we recorded revenue of \$1.2 M and capital expenses of \$3.1 M for a negative net income of \$1.9 M. The total fund balance in the replacement fund is \$4.3M. Rental income is slightly down from last year. Mr. McReynolds thanked the staff and stated that staff is doing a good job at keeping things tight.

B. Legal Committee. Ms. Phillips introduced Mr. Tim Fisher, Legal Committee Chair. Mr. Fisher reported on the pending employee matter and stated he is happy to say that one is done and we are happy with the result. Mr. Fisher reported that we have no pending legal issues and this is due to the management that is doing well mitigating risk and he has nothing to report.

V. REPORT OF OFFICERS AND MANAGEMENT

Ms. Phillips 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 announced that sales has just come to the lodge and they are committed to getting new owners. Ms. Siegert-Free's presentation included a comparison of owner maintenance fee costs to the industry average, noting that Christie Lodge fees are significantly lower with other resorts including resorts in the Vail Valley. Ms. Siegert-Free stated that rentals are a popular part of our revenue stream but revenue from rentals was challenging this year due to the lack of snow. In addition, Ms. Siegert-Free presented Christie Lodge's NPS (National Promoter Score), which is slightly above the national average for hotels. She added that the lodge is now Gold with the Vail Valley Partnership and discussed the Google and TripAdvisor ratings. Ms. Siegert-Free presented information Vail and Beaver Creek's new offerings, the resorts Vail Resorts has recently purchased in other areas as well as information about local activities, restaurants, wineries, breweries and updates on the Vail airport. Ms. Siegert-Free gave an update of this year's Christel House Open that was held in Cordillera and was held in partnership with Roundup River Ranch. The lodge has raised over a half million for Christel House since 2005. This year we brought in \$59,132 in one day which was the biggest revenue in 13 years of having the tournament.

Ms. Siegert-Free introduced Mr. Rick Dameron, Executive Director of Operations. Mr. Dameron presented on projects, renovations, and reservations at the lodge. Mr. Dameron stated that 17% of maintenance fees goes to capital reserve and he discussed the capital reserve funds and how they get funded. Mr. Dameron explained information on owner surveys and how the information we receive is used. The owner survey results were used to create the designs for

Project Wow and other renovations. Management looked at what the top items on the survey were requested and what we could accomplish. Mr. Dameron presented photos of the 3-bedroom renovation and explained how some of the decisions were made. Mr. Dameron presented photos of the parking lot replacement, new patio furniture is in the pool area, and new directional signs that have been placed around the lodge. Mr. Dameron stated that the lodge's Customer Service Task Force evaluated the lodge directional signs and came up with improved signage to make the guest experience easier in finding rooms and amenities throughout the lodge. Mr. Dameron presented photos of the roof replacement and stated that the lodge spent a little less than a million on the new roof this summer. Mr. Dameron presented photo samples of the new carpet going into the common areas on the 2nd and 3rd floors as well as the new flooring in the lobby entryways. In addition, new handrails will be installed to replace the white exterior railings and the lodge is looking to repaint the building in the near future as well. Mr. Dameron presented a rendering of the Beaver Creek Blvd. redesign and discussed the current progress of the road construction which will be completed next year. Mr. Dameron also presented information from the reservations department reminding owners to book 360 days in advance or as far as advance as possible to make sure you get your reservation in. Mr. Dameron also spoke about our social media presence and encouraged everyone to look at our social media pages online and make comments. In addition, Mr. Dameron presented on in-house activities available at the lodge.

Ms. Phillips thanked the managers for their presentations.

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

Ms. Phillips explained the eligibility requirements of candidates.

A. Explanation of Eligibility Requirements and Election Procedures. Ms. Phillips stated that owners will be voting to fill two director position on the Board. She explained that owners must be in good standing and be current on payments of assessments to the lodge; submit a resume to the Association prior to August 1st; and interview with the Board Recruitment and Nomination Committee. Ms. Phillips also stated that there cannot be a majority of Board members from any one state.

Ms. Phillips 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. Ms. Blackmon then called for a motion and second to nominate the slate of candidates. Gloria Adams, Arizona moved to nominate the slate of candidates and John Sommerrock, Colorado second the motion. The motion passed by acclamation.

Each of the following candidates spoke briefly regarding their timeshare ownership at the lodge and their personal qualifications: Allen Robinson, Bruce Patterson, David Linnear, Douglas Miller, Jonathan David, Mary Scherr, Mick Vaughan, Peter Oakes.

VII. APPOINTMENT OF THE ELECTION INSPECTORS.

Ms. Phillips asked for a motion and a second to waive appointment of inspectors. Nancy Lafayette, Colorado made the motion and Bill Young, Colorado second the motion. Ms. Phillips asked if there was any discussion. Gary Seebo, Round Rock, Texas, stated that he has been an election inspector and volunteered to be our inspector. Ms. Phillips called for a vote and the motion to waive the appointment of inspectors passed by acclamation.

VIII. ELECTION AND VOTING

The election of directors proceeded by written ballots which were distributed to the owners during registration. Ms. Phillips asked the staff to collect and submit the ballots to the staff for counting.

IX. INTRODUCTIONS

Ms. Phillips introduced Chris McGill, Interval International and read his bio. Mr. McGill gave a brief summary of how to book an exchange through Interval International. Mr. McGill used an example of Hawaii and said if you are interested in a specific area to submit your request to II to search all resorts in that area to “cast your net wide” and that will give you a better shot at an exchange versus looking daily for availability.

Mr. McGill introduced, Michael Heller from MH Marketing. Mr. Heller gave a brief summary of his experience in the industry. Mr. Heller explained that they were hired by the Board and their priority is to bring new owners in and maintenance fees to the association. Mr. Heller gave a brief explanation of the sales process and answered some questions by the attendees.

Ms. Phillips stated that the new start time of the meeting at 11:00a.m. was done in response to comments in the past about the early 9:00a.m. start time. Ms. Phillips asked for a raise of hands vote for keeping the time at 11:00a.m. A show of hands vote showed we will keep the meeting at the later time.

Ms. Phillips stated that the staff needs more time to count the votes and introduced Mr. Jerry Oliver, Association Attorney who read the resolutions on page 37 of the owner packet. Ms. Phillips explained that the money would be moved to capital resolutions to comply with the IRS requirements that the Association. Jerry Oliver to read the following amendment:

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, 2018 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 2018-19 assessments received prior to June 30, 2018, 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.

Ms. Phillips asked for a motion to approve the resolution as presented. Mike Novavesky, Colorado made the motion and Gloria Adams, Colorado second. The motion passed.

Mr. Oliver asked for a motion to pass the resolution ratifying all Board of Director Acts as presented. Ms. Phillips explained further that we have told you about it and we will tell you about it. Ms. Phillips asked for a motion to pass the resolution as presented. Mary Sherr, Dallas, Texas made the motion and Rosalind Hair, Texas second. The vote passed unanimously.

X. UNFINISHED BUSINESS

A. Ms. Phillips announced there was no unfinished business.

X. NEW BUSINESS

A. Announce All Election Results. Ms. Phillips announced that the new Board members are Mr. Jonathan David and Mr. Allen Robinson. Mr. David asked for a round of applause for the great lodge management team.

Ms. Phillips asked about new business. Gary Seebo, Round Rock, Texas requested more information on payroll for the room staff. He stated concern for the amount of benefits being paid to them or the same benefits. Ms. Siegert-Free stated that each employee regardless of management level receives the same benefits. Gary Seebo requested information on what is needed for an employee to get benefits. Ms. Siegert-Free stated that 30 hours a week is the requirement for medical benefits. Ms. Phillips said that if anyone would like to ask additional questions to speak to the audit committee after the meeting.

XI. ADJOURNMENT

Ms. Phillips called for a motion to adjourn the meeting. John Sommerrock, Colorado so moved and Bill Reynolds seconded the motion. The motion to adjourn the meeting was passed by acclamation at 1:15 p.m. MDT and the meeting adjourned.

