

**MINUTES OF THE
SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF BEAVER CREEK RESORT COMPANY OF COLORADO
Thursday, January 20, 2011**

A Special Meeting of the Board of Directors of the Beaver Creek Resort Company of Colorado, a Colorado non-profit corporation (the "Company") was held on Thursday, January 20, 2011, in the Larkspur Rooms I & II of the Beaver Creek Lodge, 26 Avondale Lane, Beaver Creek Subdivision, Eagle County, Colorado. The meeting commenced at 8:05 a.m. The following members of the Board of Directors were present in person or by conference telephone:

Orla Bannan	Doug Lovell
Ross Bowker, via conference phone	Caragh McLaughlin
Jim Donohue	Brian Nolan
Mathew Juechter, via conference phone	Craig Tuber, via conference phone
Jim Kaylor	

Representing the Company were Tom Allen, Treasurer; Tim Baker, Executive Director; and Jean Dennison, Secretary. Also present was Mr. Clyde Hanks, General Manager and Mr. Louis Kreig, Board Member, of the Beaver Creek Metropolitan District (the "District") as well as Ms. Dawn Friedman and Mr. Tim Maher representing the Beaver Creek Property Owner's Association ("BCPOA").

Ms. Orla Bannan, acting as President Pro Tem, called the meeting to order, verified that a quorum was present, and verified that Directors Bowker, Juechter and Tuber could hear and be heard on the conference telephone.

1. Election of President. Noting the recent resignation of John Garnsey as President of the Company, motion was made by Orla Bannan to elect Doug Lovell as President of the Company to fill the remaining term of Mr. Garnsey. The motion was seconded by Jim Donohue and passed unanimously.
2. Minutes of the Annual Meeting held November 27, 2010. Upon motion duly made by Brian Nolan and seconded by Orla Bannan, the minutes of the Annual Meeting held November 27, 2010 were unanimously approved as presented.
3. Public Comment. Ms. Friedman mentioned her recent discussion with John Garnsey and the request for a commitment that there be no Common Assessment levied by the Company for Fiscal Year 2012. Director Donohue pointed out that no such commitment could be made and the board would be making a decision on any future Common Assessment based on the Company's financial situation at the time of budgeting for each year. Director Kaylor suggested that the board look into other possible sources of revenue rather than levy a Common Assessment on the residential property owners of the Resort. Mr. Nolan noted that such assessment is levied on all property owners within the resort not just residential property owners.
4. Ratification of Fiscal Year 2011 Budget. Mr. Baker briefly summarized the Memorandum of Treasurer Tom Allen concerning the proposed changes to the FY 2011 Budget, a copy of which Memorandum and the FY 2011 Budget are attached to these minutes as Exhibit A. Mr. Kaylor questioned the Company's commitment to the 2015 World Championships referring to a letter from prior Executive Director, Tony O'Rourke, which referenced certain language on a temporary policy of the Board to cease any charitable contributions due to the economic situation.

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It was noted that the contribution to the 2015 World Championships is not considered a charitable contribution. Suggestion was made to track money committed to the 2015 Championships in a separate account and not confuse with charitable contributions.

Mr. Bowker reminded the board that, in accordance with the Company's Bylaws, the budget to be ratified should be the same budget that was reviewed by the membership at the Annual Meeting of the Members held on November 27, 2010.

Mr. Kaylor asked about the funding for the Avon shuttle service questioning whether the Town of Avon has agreed to make their contribution to such service. Although there has been indication from several representatives of the Town of Avon that Avon may be able to make a contribution towards the cost of the Avon Shuttle, Mr. Baker is attending the next Town of Avon Council Meeting to confirm such contribution. The budget presented reflects a contribution from the Town of Avon of approximately \$46,000 which is not the full cost of the shuttle service.

Mr. Kaylor further questioned whether the Westin Resort located within the Town of Avon is contributing to the Avon shuttle service. Mr. Nolan pointed out the Westin is contributing to the existing evening bus service between the Westin and Centennial Station which is a separate item than the Avon shuttle service. It was mentioned by Mr. Allen that discussions are ongoing between Beaver Creek Transportation (Chris Lubbers) and the Westin to obtain a contribution from Westin towards the cost of the Evening shuttle.

Thereafter, upon motion made by Brian Nolan and seconded by Ross Bowker, the Budget attached to these minutes as Exhibit A was unanimously ratified as the Fiscal Year 2011 Budget with the suggested changes listed in the Memorandum of Tom Allen which is also attached as part of Exhibit A.

5. December 31, 2010 Financial Statement. The December 31, 2010 Financial Report and accompanying Memorandum from Treasurer Tom Allen was presented and reviewed, copies of which are attached to these minutes as Exhibit B. Mr. Tim Maher questioned whether the Company is using purchase orders for its expenditures outside the Company structure. Mr. Allen noted that purchase orders are not used due to the size of the Company and that outside expenditures typically are initiated through signed contracts and agreements. Additionally, policies are in place that requires checks written over a certain amount to be signed by more than one authorized signator.

Mr. Kaylor suggested that we may want to consider a reforecast our proposed RETA revenue on the dollar amount budgeted for unit sales in as much as current selling prices of properties are lower than what we are currently estimated in our forecasts.

6. Beaver Creek Rodeo Series. Mr. Baker summarized the financial projections for the proposed 2011 Beaver Creek Rodeo Series. A copy of Mr. Baker's Memorandum and cost history of the event are attached to these minutes as Exhibit C. The board discussed the pros and cons of the event and the need for some sort of summer events over several weeks especially in light of the existing competition in the surrounding valley for summer activities. Suggestion was made to have staff (a) look at possible additional sponsorships for the rodeo event; and (b) approach the Town of Avon, Town of Vail or other entities to partner in the event and share in the costs. Staff will proceed accordingly and bring this matter back to the board for review in February.

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7. Reserve Fund Study. Review was held of the proposed Reserve Fund Study with OAC Management Incorporated as summarized in Mr. Baker's Memorandum attached to these minutes as Exhibit D. To date, the Company's existing reserve has been considered an operating reserve and concern was expressed on creating any additional reserves given the existing economy. Considering that the Company is carrying roughly \$7 Million in depreciated capital, such as the snowmelt systems throughout the plaza and the eight escalators, there is a need for such a study. Thereafter, motion was made by Jim Donohue and seconded by Jim Kaylor to authorize the Executive Director to finalize and execute an agreement for the Reserve Fund Study with OAC Management Incorporated at a cost not to exceed \$9,100. The motion passed on a unanimous vote. Mention was made that the board should make a policy decision on how to proceed once the results of the study are known.

8. Design Review Board Appointment. The board was made aware of the recent resignation of Anne Gunion from the Company's Design Review Board ("DRB"). Staff of the DRB is recommending the appointment of local architect Brent Alm to serve the remaining term of Ms. Gunion. Mr. Alm has previously served on the DRB. Mr. Kaylor made a motion to appoint Mr. Brent Alm as a member of the DRB to fill the seat made available with the resignation of Anne Gunion. DRB board seats are held for a term of one year expiring at the end of the Company's fiscal year on September 30th. Mr. Kaylor's motion was seconded by Caragh McLaughlin and the appointment of Mr. Alm on the DRB was unanimously approved.

At approximately 9:30 a.m., Director Brian Nolan left the meeting and a quorum was still present. Shortly thereafter, Mr. Paul Backes and Ms. Laura Hennessy from the accounting firm of McMahan and Associates, LLC joined the meeting. Also joining the meeting were DRB staff members Jessica DeJong and Steve Nusbaum along with Architects Ric Fields and Sidney Schultz.

While the architects were assembling materials to be presented to the board, Mr. Kaylor suggested that discussion be held between staff of the Company and The Vail Corporation concerning the possibility of charging for parking on the lower parking lots of the resort as a possible source of additional income for the Company. It was noted that, in accordance with the Company's Bylaws, the cost of maintaining such parking lots is paid by the Company. Motion was made by Mr. Kaylor and seconded by Mr. Donohue to have staff (a) gather data on the use of the lower parking lots for the remainder of the ski season, and (b) prepare a study for review by the board to include cost estimates of what changes would be necessary to charge for parking in one or both of the Highway 6 parking lots of the Resort. The motion passed on a unanimous vote.

9. Auditors Presentation of 2010 Financials. Mr. Paul Backes of the accounting firm of McMahan and Associates, LLC summarized the Financial Report for the period ending September 30, 2010. A copy of such Financial Report is attached to these minutes as Exhibit E. In summation, Mr. Backes noted that the Company's financials are very clean and the financial information that the board gets is accurate. Mr. Kaylor questioned whether use of the Company's airline sponsored coupons by staff members for purposes other than business was considered a gift to the staff member. Mr. Backes noted that the rule of thumb is if the value is over \$600 a Form 1099 should be issued.

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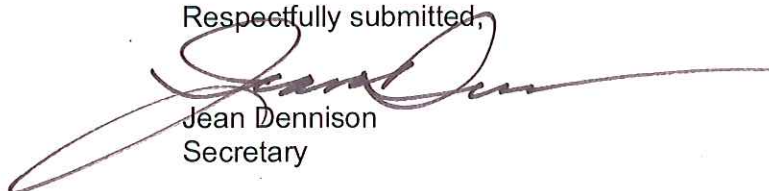
10. Borders Road DRB Discussion. Mrs. Jessica DeJong introduced architect Ric Fields, who is representing the Ferguson family who own Lots 11 & 12 of Tract H, Block 5, a/k/a 429 Borders Road, and Mr. Sidney Schultz who is an architect representing the Winn family who own Lot 13 of Tract H, Block 5, a/k/a 22 Strawberry Park Road. Mrs. DeJong summarized the applicants' proposal of the architects to amend the existing building envelopes on Lots 12 and 13 and possibly adjust the property line between such lots. Copies of the proposals from Messrs. Fields and Schultz are attached to these minutes as Exhibit F. Both architects then presented their respective proposals. Mr. Hanks, representing the District, reminded the architects that any alterations to existing District easements across the properties would need to be brought before the District Board. Director Donohue pointed out the concern of the board in allowing massing within the resort which can result from altering or allowing any construction outside of the existing lot building envelope. After much discussion, a straw poll of the board members was taken and the consensus of the board would be not to allow the requested changes. The architects thanked the board members for their time and left the meeting at approximately 10:25 a.m.

At approximately 10:30 a.m., with no further questions and upon motion made by Jim Kaylor and seconded by Caragh McLaughlin the board (along with the Executive Director) went into Executive Session. Ms. Orla Bannan was appointed to take the minutes at the Executive Session and the remaining guests and staff left the meeting.

The Board discussed merit increases and bonuses for Company staff following up on prior discussions from November 2010. Upon a motion made by Mr. Donohue seconded by Mr. Kaylor and unanimously approved the Board moved to authorize Mr. Baker to determine in his discretion whether merit increases and bonuses would be provided to Company staff. Upon a motion made by Mr. Donohue seconded by Mr. Kaylor and unanimously approved the Board moved to adjourn the Executive Session.

With no further business to come before the Board and upon a motion duly made by Mr. Donohue seconded by Mr. Kaylor and unanimously approved by the Board, the meeting adjourned at approximately 11:20 am.

Respectfully submitted,



Jean Dennison
Secretary

LIST OF EXHIBITS
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- A. Proposed Fiscal Year 2010-2011 Budget and accompanying Memorandum of Proposed Budget Changes
- B. Financial Report as of December 31, 2010 and accompany Memorandum
- C. Summary of 2011 Beaver Creek Rodeo Series and associated costs
- D. Reserve Fund Study proposal from OAC Management Incorporated
- E. Financial Report for the period September 30, 2010 and 2009 and related Comment Letter from Auditors
- F. Proposal for building envelope change and lot line adjustment on Lots 11, 12 & 13 of Tract H, Block 5

If you would like to see a copy of any Exhibit listed above, please contact
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