

**MINUTES OF THE
SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF BEAVER CREEK RESORT COMPANY OF COLORADO
Thursday, February 17, 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, February 17, 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 approximately 9:00 a.m. The following members of the Board of Directors were present:

Orla Bannan
Jim Donohue
Jim Kaylor

Doug Lovell
Caragh McLaughlin
Craig Tuber, via conference phone

Representing the Company were Tom Allen, Treasurer, Tim Baker, Executive Director, Liz Jones, Executive Assistant, and Jean Dennison, Secretary, via conference phone. Also present was Mr. Clyde Hanks, General Manager of the Beaver Creek Metropolitan District (the "District"). Representing the Beaver Creek Property Owner's Association ("BCPOA") were Dawn Friedman, Tim Maher and Lou Krieg.

After verifying the presence of a quorum, Mr. Lovell called the meeting to order and verified that the conference phone attendees could hear and be heard on the phone. Discussion was held on the following items.

1. Minutes of the Special Meeting held January 21, 2011. Upon reviewing the minutes, Mr. Kaylor asked that the last sentence of section 5 of such minutes be amended by inserting the word "are" in place of the words "appear to be" of such sentence. Thereafter, upon motion duly made and seconded, the Minutes of the Special Meeting held January 31, 2011 were unanimously approved as amended.
2. Financial Report as of January 31. Mr. Baker briefly summarized the January 31, 2011 Financial Report and accompanying memorandum from Treasurer, Tom Allen, copies of which are attached to these minutes as Exhibit A. It was noted that both the Civic and Lodging Assessments are up and we have a fiscal year-to-date favorable variance of \$421,226 thanks to several unanticipated real estate sales. The year-end operating reserve is forecast at this time to be \$1,567,000 or 10.8%.
3. Reserve Fund Study. The board reviewed the Memorandum from Mr. Baker concerning the Reserve Fund Study Update, a copy such Memorandum is attached to these minutes as Exhibit B. Lengthy discussion followed on (a) whether the study will result in a requirement for additional reserve funds; (b) how the Legacy project fits into the study; (c) reserve planning to consist of two categories, one for repair and one for replacement of the Company's current assets; and (d) the need to make improvements to the village and surrounding areas to keep up with our competitors. Mr. Baker pointed out that a completed copy of the Reserve Fund Study should be available on or about February 16th and will be emailed to all Board Members.
4. Design Review Board – Building Envelope Encroachments. The board briefly reviewed a Memorandum of Administrator Jean Dennison concerning staff's recommendation that the board take action to rescind the resolution passed at the meeting of June 24, 2010 creating the necessity for board approval of all construction proposed outside of a lot's building envelope. Director Donohue questioned the need for such action and suggestion was

made to get an opinion from the Company's legal counsel. Staff will work with legal counsel and this matter will be reviewed at the next meeting of the board.

5. Banking Resolutions. The Director of Finance presented two banking resolutions (one from Alpine Bank and the other from FirstBank of Vail) requesting board's approval to remove John Garnsey as a signator of each account and adding Doug Lovell as an authorized signatory on both accounts. Copies of the Banking Resolutions are attached to these minutes as Exhibit C. Thereafter, upon motion duly made and seconded, the Banking Resolutions attached to these minutes as Exhibit C are unanimously adopted and approved.
6. Town of Avon Update on Shuttle Service Support. Executive Director Baker briefly summarized the current status of the Company relationship with the Town of Avon ("TOA") concerning TOA's financial support for the shuttle service provided to and from the TOA into the Beaver Creek Resort as reflected in Mr. Baker's Memorandum dated February 17, 2011. A copy of Mr. Baker's Memorandum is attached to these Minutes as Exhibit D. Mr. Baker will be attending the next meeting of the TOA council and will keep the board advised on the continuing negotiations for the shuttle service.
7. Sweet Shot 2011 Golf Challenge. The board was made aware of the Company's prior relationship with the Eagle Valley Family Assistance Fund ("EVFAF") and the contribution of staff's time in organizing and planning the annual Sweet Shot Golf Challenge fundraiser for EVFAF. It was pointed that while the EVFAF is a very worth while organization making a definite contribution to the Vail Valley, it is unacceptable for the Company's staff to be working this event as part of their paid job and direction was given to advise EVFAF that the Company can not contribute in this manner; however, staff is certainly welcome to volunteer for the organization should they so desire.
8. 2011 Beaver Creek Rodeo Series. Mr. Baker summarized the status of the proposed 2011 Beaver Creek Rodeo Series as reflected in the Memorandum entitled Beaver Creek Rodeo Update, a copy of which is attached to these minutes as Exhibit E. Lengthy discussion followed on (a) the subsidy required to continue the event in light of the land lease cost from Traer Creek; (b) the need for a continued summer amenity for the resort guest; (c) the number of resort guests that actually attend the Rodeo; (d) possible alternative events within the Resort should the Rodeo not be held; (e) the rain risk of holding any outdoor event; and (f) the question of timing concerning staff's ability to secure enough talent for a summer concert series in the Resort that would draw guests and not compete with Bravo! Colorado.

At 10:45 a.m., Director Bowker joined the meeting via conference telephone. Mr. Bowker summarized the choices being to continue the rodeo for this summer season or attempt to create a 2 or 3 event concert series with a lot of unknowns which would probably not drive any lodging sales at this late date. Pointing out that we have a tradition to uphold, recommendation was made by Mr. Bowker to continue the Rodeo for this summer and have staff consider alternative events for the summer of 2012. The remainder of the board was in agreement with Mr. Bowker's suggestion and staff was unanimously directed to proceed with the Rodeo Series for 2011.

Special Meeting of the Board of Directors
February 17, 2011

9. Pay for Parking. At the last meeting of the board, suggestion was made by Director Kaylor to consider the option of charging for parking on the lots located at the base of the resort, which lots are owned by The Vail Corporation, d/b/a Vail Associates, Inc. ("VAI") and maintained by staff of the Company at a cost of approximately \$100 K each year. Director Bannan stated that VAI, as the owner of the parking lots, may want to take the revenue resulting from paid parking and VAI would consequently take over the management of these lots. Lengthy discussion followed on (a) who would be entitled to the revenue from the parking lots, (b) possible reimbursement of the Company's maintenance costs of such lots for the last several years should VAI want to operate and maintain the lots; and (c) the possible consequences of reduced skier visits should there be a charge for parking in these lots. At the conclusion of the discussion, suggestion was made by Director Bowker to have the Company's counsel review our incorporating documents for clarification on parking lot revenue "rather than a qualitative debate on whether we should have paid parking and whose ox should be gored for it". Thereafter, staff was directed to work with the Company's counsel and get their opinion on the matter.

10. Village Signage and Décor. Concern was raised by several members of the board that a number of commercial signs as well as outdoor furniture items have been installed within the resort core raising the question as to whether such items have been reviewed and approved by the Company's DRB. Executive Director Baker will review each of the board member's concerns to make sure the Company's regulations are being enforced.

With no further business to come before the Board and upon a motion duly made, seconded and unanimously approved, the meeting adjourned at 11:15 pm.

Respectfully submitted,



Jean Dennison
Secretary

LIST OF EXHIBITS
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BEAVER CREEK RESORT COMPANY OF COLORADO
February 17, 2011

- A. Financial Statements through January 31, 2011 and accompanying Memorandum from Treasurer, Tom Allen
- B. Reserve Fund Study Update Memorandum
- C. Corporate Banking Resolutions for the Company's accounts at Alpine Bank and First Bank of Vail
- D. Memorandum concerning Town of Avon Update – Shuttles/Overall Relationship
- E. Memorandum concerning operation of 2011 Beaver Creek Rodeo Series

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