

**MINUTES OF THE  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OF BEAVER CREEK RESORT COMPANY OF COLORADO  
Thursday, July 21, 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, July 21, 2011, in the Larkspur Rooms I & II Rooms of the Beaver Creek Lodge, 26 Avondale Lane, Beaver Creek Subdivision, Eagle County, Colorado. The meeting commenced at 8:35 a.m. The following members of the Board of Directors were present in person or by conference telephone:

Orla Bannan  
Jim Kaylor  
Doug Lovell

Caragh McLaughlin  
Brian Nolan  
Craig Tuber, via conference phone

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

Mr. Lovell called the meeting to order, verified that a quorum was present, and verified that those attendees on the conference phone could hear and be heard on the conference telephone.

1. Minutes. Upon motion made by Brian Nolan and seconded by Jim Kaylor, the minutes of the meeting held June 16, 2011 were unanimously approved as submitted.
2. Financial Report as of June 30, 2011. Mr. Baker briefly summarized the June 30, 2011 Financial Report and accompanying memorandum from Treasurer Tom Allen, copies of which are attached to these minutes as Exhibit A. At this time, revenue shows a favorable variance of \$728,000 ahead of budget and is forecast at year-end to show a favorable variance of \$327,000 primarily from RETA. The June 30 expenses show a favorable variance of \$54,000. Year-end operating reserve is forecast at \$1,960,720 or 13.5%.
3. FY 2012 Proposed Budget Assumption. Tim Baker summarized his Memorandum entitled Preliminary FY12 Budget Assumptions, a copy of which is attached to these minutes as Exhibit B.
4. Tough Mudder 2011 Recap. The board received a Memorandum summarizing the Tough Mudder Event held June 25 & 26, 2011. A copy of the Memorandum summarizing the event is attached to these minutes as Exhibit C. It was noted the event exceeded every expectation and brief discussion was held about possible changes to improve the event next year. Thereafter, upon motion made by Brian Nolan and seconded by Caragh McLaughlin, the board unanimously authorized Executive Director Baker to (a) continue negotiations for the Tough Mudder event for the summer of 2012 and (b) execute an agreement on behalf of the Company with Tough Mudder, LLC.

At 9:30 a.m. Director Ross Bowker joined the meeting via phone and at 9:35 p.m., the Company's counsel, Mr. Mike Meacher from Husch Blackwell, joined the meeting for the discussion of the Vilar Center Lease Agreement.

Special Meeting of the Board of Directors  
July 21, 2011

5. Vilar Center Lease Agreement. Executive Director Baker summarized the history surrounding the Company's various contributions to the Vilar Center and the finalization of the Facility Lease and Operation Agreement among the Vail Valley Foundation ("VVF"), the Vilar Center Arts Foundation and the Company, a copy of which is attached to these minutes as Exhibit D. Lengthy discussion followed on (a) rights to rescind the agreement, (b) the Company's right to reduce its contributions in the event of financial challenges, and (c) the VVF's need to expedite the execution of the agreement. Decision was made to delay approval on the execution of the agreement and circulate a form of Unanimous Consent to the board members once the board has had an opportunity to give thoroughly review the agreement.

At 10:00 a.m., Mike Meacher left the meeting. Discussion continued as follows:

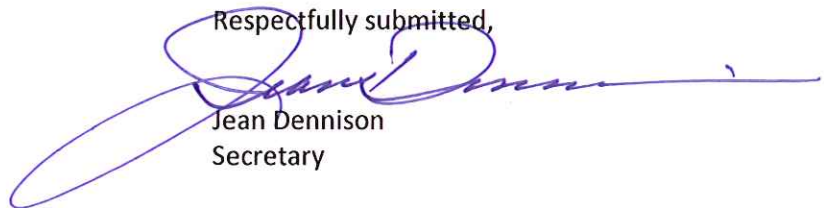
7. Dog Policy. Mr. Baker reported he is proposing an amendment to the Company's existing Dog Regulations to create a mechanism for lodging properties to allow their guest's dogs in the resort. Suggestion was made to have any potential revision reviewed with the Department of Wildlife. This matter will be brought back to the board for review at a future meeting.
- 8.1 Annual Audit Review. Recommendation was made to have the Company's audit firm expand the existing annual Management Audit and have an audit review in executive session with the board. Staff was directed to provide each board member with a copy of last year's Management Audit to get input from board members on desired audit expansion.

At 10:18 a.m., upon motion duly made and seconded, the board unanimously approved going into executive session. Discussion was held relating to transportation funding by BCMD. Decision was made to have Executive Director Baker relay the board's thoughts at the next meeting of BCMD.

Upon a motion made by Ms. Bannan, seconded by Mr. Nolan, and unanimously approved the Board moved to adjourn the executive session.

With no further business to come before the Board and upon motion duly made and seconded and unanimously approved by the Board, the meeting adjourned at approximately 10:36 a.m.

Respectfully submitted,



Jean Dennison  
Secretary

**LIST OF EXHIBITS**  
**SPECIAL MEETING OF THE BOARD OF DIRECTORS**  
**BEAVER CREEK RESORT COMPANY OF COLORADO**  
**July 21, 2011**

- A. Financial Report as of June 30, 2011 and accompanying Memorandum from Treasurer Tom Allen
- B. FY 2012 Proposed Budget Assumption
- C. Memorandum summarizing the Tough Mudder Event held June 25 & 26,
- D. Proposed Facility Lease and Operation Agreement among the Vail Valley Foundation, the Vilar Center Arts Foundation and the Beaver Creek Resort Company

*If you would like to see a copy of any Exhibit listed above, please contact  
Jean Dennison, Administrator  
Beaver Creek Resort Company  
(970) 845-5896  
jeand@vailresorts.com*