

**MINUTES OF THE
SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF BEAVER CREEK RESORT COMPANY OF COLORADO
Thursday, September 22, 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, September 22, 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 8:38 a.m. The following members of the Board of Directors were present in person or by conference telephone:

Orla Bannan
Ross Bowker, via conference phone
Jim Donohue
Mathew Juechter
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 was Mr. Lou Kreig and Mr. Clyde Hanks representing the Beaver Creek Metropolitan District ("BCMD"), as well as Ms. Dawn Friedman and Tim Maher representing the Beaver Creek Property Owner's Association ("BCPOA"). Also in attendance were numerous representatives of the retail community whose names are reflected on Exhibit A attached to these minutes and incorporated herein.

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. Discussion was held as follows.

1. Public Comment/Merchant Discussion. Tim requested feedback and ideas for the operation of the resort from the merchant's perspective. Nicole Hoffman, owner of Q-Boutique located in the Park Hyatt Beaver Creek, expressed concern on the number of outdoor display dates, hours of operation under the regulations and suggested that more events be considered for the plaza. Additionally concern was expressed that the east end of the plaza could use additional lighting.

Mr. Bob Boselli, representing Beaver Creek Gear, expressed concern on shops closing early and suggested that outdoor displays are good as long as they are tastefully done.

Mr. Glenn MacIsaac, representing Gorsuch, Ltd., requested consideration from the events staff of the resort to not block the entrance of his store with event tents. He further suggested that additional signage be placed in the center of the plaza to remind bikers to dismount and walk their bikes through the plaza.

Mr. Tom Anderson of Charter Sports would like to see additional booths during events at the east end of the plaza near St. James.

Mr. Baker thanked all the merchants for their attendance and input and indicated that a task force is being created to address the merchant's concerns and look at realistic option. The team should be meeting in the next 2 to 3 weeks. Tim – pull together a task force to come up to some realistic options and suggestions. Get together in next 2-3 weeks.

At approximately 9:22 a.m., the merchant guests left the meeting.

2. Minutes. Upon motion made by Brian Nolan and seconded by Ross Bowker, the minutes of the Special Meeting held August 25, 2011 were unanimously approved.

Special Meeting of the Board of Directors
September 22, 2011

3. Financial Report as of August 31, 2011. Mr. Baker briefly summarized the August 31, 2011 Financial Report and accompanying memorandum from Treasurer Tom Allen, copies of which are attached to these minutes as Exhibit B. At this time, year-to-date revenue shows a favorable variance of \$714,000 ahead of budget driven by the Real Estate Transfer Assessment. Year end revenue is forecast at \$800,000. The Company is on budget with expenses. The year-end reserve is forecast at \$2.2 Million or 15.3%.
4. Interim FY 2012 Budget. The proposal is to approve an Interim Budget for the next two months until after presentation to the membership at the annual meeting scheduled for November 26, 2011 and final approval at the board's annual meeting following the membership meeting. A copy of the proposed Interim FY2012 Budget is attached to these minutes as Exhibit C. Mr. Baker summarized the budget detail. A detailed presentation will be made at the October meeting of the board on all the events proposed in the budget. Request was made by Mr. Kaylor for more budget detail.

Capital Expenditures were discussed following a review of Mr. Baker's Memorandum of September 22, 2011, a copy of which is attached to these minutes as Exhibit D. Lengthy discussion was held the philosophy for capital expenditures and priorities for large scale strategic improvements.

At approximately 9:58 a.m., Michael Noda, Rob Rydell & Dan Miller of OZ Architecture joined the meeting. Discussion continued as follows.

Mr. Donohue noted that the Company has experienced depreciation of roughly \$1.5 Million in the last five years and have only reinvested roughly \$250,000 a year. Noting that other resorts are making significant capital investments, he suggested that the company consider making notable capital improvements to the resort. The question of priorities remains. Mr. Baker pointed out the priority at this time is planning to include the concerns of the merchants expressed at the beginning of the meeting. Mr. Baker then introduced the members of OZ Architecture, Messrs. Michael Noda, Rob Rydell and Dan Miller who gave a brief summary of their work to date. Suggestion was made by Mr. Bowker to have the OZ team members meet with several of the merchants to be made aware of their concerns.

At approximately 10:25 a.m., the members of the OZ Architecture firm left the meeting. Discussion continued on capital improvement, the Legacy Project and the Interim budget.

Question was raised on the Company's commitments to the Legacy Project to date and it was noted the commitment to date extends only to the monument installed at the entrance to the resort. Suggestion was made by Mr. Bowker that more consideration be given to village improvements at this time rather than the roadway or entrance to the resort.

Thereafter, upon motion made by Brian Nolan and seconded by Ross Bowker, the budget attached to these minutes as Exhibit C was unanimously approved and adopted as the Interim 2012 Budget for the next few months to be presented to the Company's membership at the annual meeting scheduled for September 26, 2011.

Concerning possible village improvements, Mr. Bowker cautioned that if the Company is considering tearing down or removing the Zamboni building, extra caution should be exercised to prevent damage to all the work performed and precautions taken in water proofing the Vilar Center from the ice rink.

5. Design Review Board Election. Upon motion made by Jim Donohue and seconded by Caraugh McLaughlin, the following resolution was unanimously adopted.

RESOLVED, that the following individuals are appointed as members of the Company's Design Review Board to serve for a period expiring September 30, 2012 or until their successors have been duly qualified and appointed:

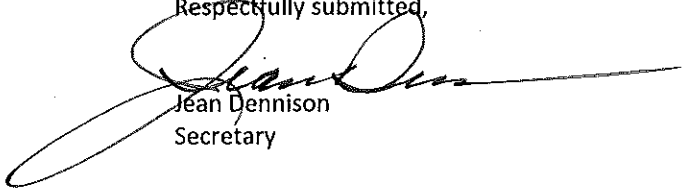
Brent Alm;
Henry Bornstein;
Don Eggers;
Jeanie Kearney; and
Ludwig Kurz.

6. Miscellaneous.

- A. Avon Shuttle Agreement – Mr. Baker requested the board's input into his proposed changes to the Avon Shuttle Agreement, a copy of which is attached to these minutes as Exhibit E. It was the consensus of the board that the contemplated Avon shuttle service should be operated by the Company rather than the Town of Avon.
- B. 2012 Beaver Creek Mountain Closing Dates. Concern was expressed by Director Bowker on the proposed ski season closing dates for 2012. Ross requested an extension of the mountain closing dates for next April by one week to preserve the use of the last winter season timeshare week. The entire timeshare world has set their schedules to include the second week of April as part of the winter ski season. The present closing date of April 8th precedes that critical time share week. A large number of timeshare units will be affected if the mountain closes on April 8th. Additionally, Mr. Nolan noted that many Puerto Rico visitors have moved from Vail into Beaver Creek and bring significant business into the resort during the second week of April. Mr. Lovell will look into the matter and follow up with Directors Bowker and Nolan.

There being no further business to come before the board and upon motion made by Jim Donohue, and seconded by Ross Bowker, the meeting adjourned at 11:15 a.m. upon unanimous vote.

Respectfully submitted,



Jean Dennison
Secretary

LIST OF EXHIBITS
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BEAVER CREEK RESORT COMPANY OF COLORADO
September 22, 2011

- A. Attendees from the Retail Community attending the meeting.
- B. Financial Report as of August 31, 2011 and accompanying Memorandum from Treasurer Tom Allen
- C. Proposed Interim 2012 Interim Budget
- D. Memorandum on Capital Expenditures
- E. Markup of Town of Avon's proposed Shuttle Agreement

If you would like to see a copy of any Exhibit listed above, please contact
Jean Dennison, Administrator
Beaver Creek Resort Company
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