

MINUTES OF THE ANNUAL MEETING
OF THE MEMBERS OF EAGLE RANCH ASSOCIATION

A Meeting of the Members of Eagle Ranch Association (the "Association") was held on December 13, 2004, at the Brush Creek Pavilion, Eagle Ranch, in Eagle, Colorado.

The following owners (listed alphabetically) were represented in person* or by proxy:

Ronald Alvarez, Owner 38 MacDonald St.
Kim Armstrong*, Owner 85 Ewing St.
John Baty, Owner 42 Harrier Circle, Block 10, No. 8
Arlyn Berlinghof*, Owner R-9, 225 Haystacker Dr.
Kara Bettis*, Owner 0095 Mayer St.
Jeff Boyer*, Owner 0080 Beecher Street
Ed Borasio*, Owner 49 Iris Pl.
Mary Patricia Kelly Brown, Owner 105 Mayer St.
Rex Brown, Owner #1, Blk 1, Lot 29 R Seven Hermits
Brian Brubaker*, Owner 20 Robin's Egg
Gary and Jennifer Buck*, Owners 149 Seven Hermits
Casey Bullock, Owner 60 East Double Hitch
Joyce Chizmadis*, Owner 0119 Sawmill Circle
Julie Corcoran*, Owner Lot 29, Filing 14
Dave Crawford, Owner 0051 MacDonald Street
Peter Dann, Owner L2-43
Sheila Defina*, Owner 1987 Eagle Ranch Road
Dave Elmlblad*, Owner 121 Harrier Cir.
Susan Fleming*, Owner 0027 MacDonald St.
Jean Frank*, Owner 135 Bunkhouse Pl.
Scott Fritzler*, Owner 7 W. Dewey Park
Lynn Fulton, Owner 37/14
Richard Garbarino, Owner 75 Beecher St.
Gail Geddes*, Owner 0042 Newquist
Russell & Helen Gies, Owner 33 Bunkhouse Pl.
Cynthia Gilbert, Owner Lots Q-10, I-18, P-2
Carol Glasson*, Eagle Ranch Village LLC
Dolores Gleason, Owner 5 MacDonald St. & H-8 Double Hitch
Ted Gould, Owner 0674 Hernage Creek Rd.
Michael Hall*, Owner 94 Callie Creek, Lot 10
Carol H. Harkias, Ownr Lot 9, Block 11, Filing 8
John Hollis*, Owner 53 Lone Spur
Judith O. Hopkins, Owner Lot 25, Block 2, Filing 1
Barbara R. Humphrey, Owner 11 Lime Park Drive
Nancy Hovren and Alan Bovi, Owner 11 Bunkhouse Place
Scot Hunn*, Owner Lot 5 Lime Park Drive
Robert Jackson*, Owner 260 Abrams Creek
Vincent K. Jones II & Frances B. Jones Recoverable Trust of 1999,
Owner of 0305 Founders Ave. D102
Keith J. Kaufmann, Owner R-15
Dean Kerklng*, Owner and Eagle Ranch Design Review Board Staff

Robert C. Kreidler, Owner 0402 Harrier Circle
Michael W. LaBelle, Owner 169 Robins Egg Ln.
Elizabeth Lambert*, Owner 127 Haystacker
Douglas Landin*, Owner 0009 Rt. Lady Belle Pl.
Steve Lasky, Owner 0030 Eagle Ranch Road
Ruth Lenz*, Owner 0530 Founders Ave., B103
Jeannette G. Lorch, Owner E101 West Village
Jenni Marquez*, Owner 0817 Robin's Egg Lane
Gary Martinez*, Owner and President
Tom McCord*, Owner 51 Silver Spur
Kimberly McGhee*, Owner 0255 Fourth of July
John Miskell, Owner 45 Mayer St.
George Nachman, Owner 22 East Dewey Park
Robert J. Navratil, Owner 131 Sawmill Circle
Linda Nevin*, Owner 0031 Sawmill Circle
Holly Nielsen, Owner 87 W. Double Hitch, Lot H-3
Ronald Niemeyer*, Owner 206 Haystacker
John Nilsson*, Owner 255 Line Park Drive
Vincent Novak, Owner #8 Harrier
Nsuch, Owner at Bunkhouse
Joe and Ann O'Brien, Owner 11 Overlook #8
Richard A. Patriacca, Owner 1951 Eagle Ranch Rd.
Houston Perkins*, Owner 15 Left Lady Belle &
East West Resorts ("EWR") representative
Eric Peterson, Owner 39 Lone Spur
Everett L. Pfeiff, Olde World Development, LLC, Owner 0070 E. Foxglove Lane
Harry Reed*, representing Eagle Ranch Village LLC
Roland Reinholtz, Owner 010 E. Foxglove Lane
Robert S. Riddle, Owner 38 Camp Fancy Spur
Kent Rose*, Owner Lot H-21
Fred & Nancy Schmidt, Owner 18 Poplar
Katherine Schmidt*, Owner 0090 W. Double Hitch
Gail Scoby*, Owner 2044 Eagle Ranch Road
Paul S. Sells*, Owner Lot 7 Lime Park
Scott Skelton, Owner Lots 30 & 31, Tract O
Jack Skjonsby*, Owner 239 W. Foxglove
Ann P. Savejcar, Owner
Laurie Thompson, Owner #13 East Meadow
Triangle River 401 LLC, Owner 1877 Eagle Ranch Rd.
Marne H. Tutt, Owner 1935 Eagle Ranch Rd.
Yumi Umezono, Owner Lot 6, Blk 5, Filing 3
Thomas O. Wagenlander, Owner 0097 Sawmill Circle
Scot F. Webster, Owner 0110 Seven Hermits Dr. & 0094 E. Foxglove Lane
Leonard W. Wood, Owner Lot 32, Block 1, Filing 1
Mary Louise Woodland, Owner 29 Robins Egg Ln.

Others present in person were:

Greg Borland, representing CenturyTel

Cara Jones-Readle, EWR Association Accountant
Terry Haupt, representing CenturyTel
Mary Morgan, EWR, Association Administrator and Secretary to the Board
Jill Walter, EWR Association Accountant

The order of business was as follows:

1. Call to Order. Mr. Martinez, President, called the meeting to order at 4:10 p.m. MST. Ms. Morgan verified that proper notice of the meeting was given, a copy of which is attached hereto as Exhibit A, and acknowledged that a quorum was present. Copies of proxies and ballots are attached hereto as Exhibit B and incorporated herein by this reference. Mr. Martinez reviewed the revised agenda which was distributed to owners as they arrived at this meeting, adding Eagle Ranch Internet domain name for email and project update.
2. Reading of Minutes. Upon motion duly made and seconded, reading of the minutes of the Members' meeting held on December 8, 2003 was waived and they were unanimously approved as submitted
3. Financial Reports.
 - a. Balance Sheet, attached hereto as Exhibit C, was presented. No action was taken.
 - b. 2005 Approved Budget. A copy of the Approved Budget Plan for 2005, attached hereto as Exhibit D, was distributed to all members along with the notice of this meeting. Mr. Martinez reviewed the 2004 year-end projections, noting that the revenues were exceeding the budget as a result of sales activity. He added that Lot mowing revenues offset Lot mowing expenses. There being no votes to reject the Budget, the Budget was deemed ratified in accordance with Colorado Common Interest Ownership Act (the "Act"). Design Review expenses budgeted higher anticipating more new construction, as well as more covenant enforcement costs.
 - c. Owner comments.
 - i. In response to an inquiry about using surplus revenues to plow more trails, Mr. Martinez responded that the golf course trails are the responsibility of Metropolitan District, indicating he would pass the request along to the District. **Mr. Kerkling indicated he would get an estimate for additional path plowing.** Although the Town of Eagle requires homeowners to shovel sidewalks, there is no snow removal along sidewalk in front of vacant lots, creating potential unsafe walking situations. Mr. Kerkling reported that he had an estimate for a contractor to plow all sidewalks, \$10,000, noting that it would be inefficient to plow intermittent lot frontages. In Eagle Ranch sidewalks are common area. Mowing along edges of walking trails will be added back. Discussion of including sidewalks into Alleys and Paths snowplowing lien item, and mowing along trails in summer. **Hearing a consensus, the Board indicated they would review the estimates and amend the budget accordingly.**
 - ii. Apparently there is unsightly infrastructure repainted at various points throughout the community. **Mr. Martinez indicated the developer would look at that, not an association expense.**

- d. Mr. Perkins reviewed the Replacement Reserve Fund, attached hereto as Exhibit E, budgeted \$26,000??. He noted that the Wildlife Enhancement Fund generated surplus revenue, and the Board had approved transferring the 2004 Operating surplus of \$25,016 to the Replacement Reserve Fund.
- e. Mr. Martinez reviewed the Eagle Ranch 2005 Capital Budget, attached hereto as Exhibit F. Landscaping budget, significant investment in response to Owner Survey. Mr. Martinez reviewed a chart showing where additional landscaping is budgeted, including Eagle Ranch Road past school, Sylvan Lake Road, intersection of Fourth of July Road and Eagle Ranch Road. The developer plans substantial plantings along 17th hole on golf course side of Eagle Ranch Road. He said that individual developers were responsible for landscaping of new projects, plus the developer's commitments will enhance the Association's approved landscaping budget.
4. Capital Replacement /Wildlife Improvement Funds. Upon motion duly made, (Mr. Hollis) and seconded (Mr. Hoy) the following resolution was unanimously approved by the members:

Whereas, the Eagle Ranch Association is a Colorado corporation duly organized and existing under the laws of the State of Colorado, and

Whereas the Members desire that the Association shall act in full accordance with the rulings and regulations of the Internal Revenue Service, now therefore the Members hereby adopt the following resolutions by and on behalf of the Association:

Resolved that the amount collected by or paid to the Association for Capital Replacement or wildlife improvements during the year ended December 31, 2004, shall be set aside for future major repairs, replacements and wildlife improvements and allocated to capital components as provided by the guidelines established by IRC Section 118 and Revenues Rulings 75-370 and 75-371. Such amounts shall be deposited into a separate account. Any amounts so added to replacement funds shall be allocated to the various components at the discretion of the Board of Directors; and

Be it further resolved that interest earned on the Replacement Reserve funds be deposited in the Replacement Reserve Fund and interest earned on Wildlife Fund shall be deposited in the Wildlife Fund; and

Be it further resolved, that excess membership income over membership expense collected by or paid to the Association for the year ended December 31, 2004, shall not be directly refunded to Members, but shall be applied against subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.

5. Community Update.

- a. **Fiber Optics and Email issues.** Mr. Haupt explained that Eagle Ranch originally contracted with Community Digital to install fiber optics, which sold to CenturyTel. Now CenturyTel owns the fiber optic systems, and recently notified owners that email addresses would be changed. Mr. Haupt indicated that the purchase did not include the "eagleranch" internet domain name. The developer currently uses the domain in conjunction with its website. Mr. Martinez indicated the developer would work with CenturyTel to enter into an agreement which allows CenturyTel to let owners retain their Eagle Ranch email addresses. He indicated that the data, television and phone would be bundled in billing and pricing, and provided his direct line for owners to contact him with questions.
 - b. **Community Fitness Center.** Mr. Martinez reviewed the preliminary proposal for a health facility, which had been developed in response to a recent owner survey showing a high level of interest, attached hereto as Exhibits G and H respectively. He emphasized that the concept was only at the exploratory stage, and no decision would be sought at this time. Based on proposed 4000 square foot facility along Sylvan Lake Road, tenant finish approximately \$450,000, estimated operating costs and revenues, developer participation and initial subsidies. Some of the comments from the floor included: leasing a facility rather than building one; appropriateness as an association project vs. private enterprise; inventory regional availability; comparative study with Homestead model, where there is a mandatory fee, population size acknowledging differences between the facilities. There's a void in Eagle, plus an opportunity to include other Eagle residents could help with costs and improve sense of community. Investigate resident/non-resident membership rates. If the need is there, let the free market work and find an entrepreneur to manage the facility; get a bid from an operator in the valley. He indicated the Board would further investigate what the issues and resistances are and more detailed financial proforma.
6. **New Business.**
- a. **Harry Reed, representing Eagle Ranch Village reviewed commercial plans:** ice cream shop, actively pursuing retail tenants, some office space taking advantage of fiber optics. He indicated that there has been no interest at this time in grocery store site, which needs a larger population to support it. Some interest in restaurant tenants.
 - b. **Required to complete road commitments.** CDOT has finally approved plans for roundabout. State Highway department still considering whether roundabout is appropriate, additionally railroad right of way is affected. If approvals are received, plan to begin construction in the spring.
 - c. **Medical campus.** Mr. Martinez reported that the dedication of the property is complete and the consortium has presented a site plan. There have been delays because of changes in management at Vail Medical Center, but construction may begin on 20,000 square feet in spring.

- d. Sold 20-30 resales, 80-90 developer lots.
- e. Wildlife Fund. Wildlife Committee, headed by Kent Rose, will be concentrating on stream restoration, winter critical habitat improvements. Mr. Rose reported receipt of a "Fishing for Fun" grant, matching funds will greatly increase funds available for that project.
- f. An Owner suggested the Board look at using some of the surplus funds as incentive to speed up development of medical services.

There being no further business, upon motion duly made and seconded, the meeting was closed at approximately 6:00 p.m.

Respectfully submitted,

Mary Morgan, Secretary