

MINUTES OF A SPECIAL MEETING  
OF THE BOARD OF DIRECTORS OF  
EAGLE RANCH ASSOCIATION

A Special Meeting of the Board of Directors of the Eagle Ranch Association (the “Association”) was held on April 3, 2019 at the Eagle Ranch office, 1143 Capitol Street, Eagle, CO 81631.

Board Members in attendance:

Liz Adams, Residential Director (*via telephone*)  
Steve Lindstrom, Commercial Director  
Scott Turnipseed, Residential Director  
Eric Eves, Residential Director  
Kevin Sharkey, Residential Director  
John Shipp, Commercial Director  
David Viele, Commercial Director (*via telephone*)

Others Present:

Dave Crawford, EWH Director of Operations (*via telephone*)  
Erin Vega, EWH Association Manager, Eagle Ranch

The order of business was as follows:

1. Call to Order. Scott Turnipseed called the meeting to order at 11:00 a.m. MDT. A quorum of Directors was present.
2. Minutes Approval. Upon motion made and seconded, the Board approved the minutes of the Board Meeting held on February 27, 2019 as submitted.
3. Endorphin Management Agreement. The Board reviewed the history of Fitness Club Management and Annual Contributions. It was noted that the Club has provided a much needed service to the Eagle Community while enhancing the vitality and vibrancy of Eagle Ranch Village. In negotiating the recent Management Agreement with Endorphin, the Board’s intent was to continue providing this service without directly competing with other Eagle Ranch Village businesses. The HOA attorney will be consulted to confirm the Manager has complied with the terms of the Agreement and any impact a building purchase might have on the terms.
  - a. Non-compete. The Board discussed the non-compete clause of the Agreement as it relates to the Yoga Class offerings at Endorphin. Management will approve the monthly class schedule prior to publication and will ensure compliance with the terms of the Agreement.
  - b. Management Fee. The Board reviewed the payment terms and confirmed the amounts were less than previous years’ Operating Costs (under the management of Mountain Recreation and more recently East West Hospitality). The Agreement states the purpose of the management fee is primarily to reimburse Manager for rent and operating costs

incurred for managing the Fitness Facility. The three year term with decreasing payments achieves the Board's goal of eliminating the contribution completely.

4. Other Business.

- a. Office Space Purchase. Mr. Lindstrom updated the Board on recent discussions with the building owner. The owner is interested in selling the existing office space and/or adjoining offices. Mr. Lindstrom suggested the Board consider the needs and wants of the HOA as it relates to HOA office location and size. The Board also discussed comparable commercial spaces and CAP rates along with the benefits of owning verses renting for the long term. It was agreed that an Eagle Ranch location was preferred and owning the office space would have financial benefits. Commercial property prices are not expected to decline in the foreseeable future. Mr. Lindstrom would continue discussions with the owner to reach a 'ballpark' number for the purchase and options for spaces available. It was also suggestion to obtain a copy of the Eagle Ranch Commercial Center Association Replacement Reserve Fund Study.

There being no further business to come before the Board, the meeting was adjourned at 12:28 p.m. MDT.

Respectfully submitted,

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Erin Vega, Secretary