

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE CLUB AT COBBLE CREEK, INC.

A meeting of the board of directors of THE CLUB AT COBBLE CREEK, INC. (the "Club") was held on December 29, 2021 at 5pm. Those present and participating at the meeting:

Mike Weber, President
Pat Pitz, Vice President
Lisa Hylton, Treasurer
Randy Griffin, Director at Large
Betsy(Betty) Willy, Secretary
Eddie Anderson, General Manager
Chris Cox, HOA liaison

Approval of Minutes: The Minutes from December 20, 2021 were ratified as approved by email.

General Manager's Report:

Golf Fees for 2022: Eddie reported that the 4% increase in golf fees as authorized by the BOD on 12/20/21 will be implemented January 1, 2022. The 4% increase will pertain to golf annual single and couple membership fees, cart rental fees, annual trail fees, range balls and punch card fees.

The board agreed to implement an annual Family golf membership to encourage increased golf participation by families with children. Eddie will continue to research implementation of corporate memberships.

Social Membership fees: the increase of 4% for single and couple social membership fees as approved by the BOD on 12/20/21 will be effective as of January 1 2022.

New Event Bookings: A number of events have already been booked. All food served at these events will be catered by Cobble Creek. Eddie reported that this change has not seemed to affect the bookings.

Financial report and Budget approvals: The 2022 budget was reviewed along with adjustments recommended by Eddie. The adjusted budget was approved by BOD. Eddie will format the budget for posting. The 3rd quarter YTD financial report will be posted to the website in summary form.

Eddie reported that without going into the reserves, there is a projected cash/flow shortfall for the first quarter of 2022. To protect the reserves, the BODs has asked Eddie to move forward with the application for a \$199,000 thirty year conventional small business association loan. These monies are intended to cover income losses due to

covid. The loan can be prepaid at any time. Terms of the loan through Timberline Bank include a 2.75% interest rate with the possibility to defer the payment of principal for the first two years. The motion to proceed with the loan application was approved unanimously.

The monies from this loan, if approved, can be used for operational expenses during the first quarter as the revenues from memberships begin to materialize. This would allow the board to allocate membership revenues to capital projects and/or reserve fund.

Marketing and Event Planning: Eddie and Michele plan to attend the Grand Junction Bridal Show in January. The plan is to be proactive in marketing for future events.

Office Manager: Anna Walworth has been hired as a part-time office manager for the Club, replacing Madison. She has moved here recently from the inside passageway of Alaska. Anna has experience in hotel management, sales, food and beverage management and administrative experience. She and her husband also own the ice cream truck here in Montrose. Welcome Anna!

Massage Therapist/Esthetician: As of January 1, 2022, the massage and esthetician rooms in the fitness center will be rented to a certified massage therapist. This is a standard rental agreement to an individual who will provide her services as a business independent from The Club. Club members will be offered a discount. More details to come as soon as they are available.

General Discussion:

Office Space Agreement: As a contingency of the agreement to deed Cobble Creek Golf course properties to The Club, there exists an agreement between Weststar Development and The Club at Cobble Creek dated December 31, 2019 in which The Club agrees to:

- “provide Developer with a lockable sales desk within the Club Operations clubhouse,” The current approved sales desk location is the desk that Madison has occupied in the capacity of shared employee between the Club and the Developer (real estate).
- Further, the agreement states that “the Club will permit Developer and Developer Agents to place marketing materials, signs and displays in appropriate areas of the Club Operations as mutually approved by Developer and Club The current approved marketing display is within the management/sales area adjacent to the Club Operations clubhouse lobby.”
- Further, the agreement states among other items that the “the Club agrees to continue existing placement of Developer marketing and promotional material and content in the Club’s various communications channels and to accept new placements upon Developer’s written request at the Developer’s cost.” “..... Subject to the prior approval of the Club.”

- The term of the agreement will expire “on the earlier of: (a) sale of all Developer Land to third party purchasers, and (b) January 1, 2030; unless extended in writing

In addition to the desk space, the Real Estate function of the Developer has occupied two small rooms in the fitness center for the purpose of assisting purchasers in the selection of building materials for new builds. This space was dubbed the “design center”. This space was not defined in the original agreement.

Following discussion between the Developer and The Club, the Club BOD’s and the Developer have agreed to the following modifications of the agreement.

- The sales desk will be moved to the “back office” of the two offices currently in the Real Estate Sales area off the club house lobby. This space will be free of charge per the original agreement.
- “The Developer shall lease the Design Center rooms from the Club for a period of one year, renewable upon the parties’ mutual agreement for consideration of \$200/month...”
- “In addition, Developer shall have the option, at its sole cost and expense and exercisable within one-year of the date of this letter (December 20, 2021), to make structural modifications to allow for: (i) the two offices off the clubhouse lobby to be separated by a wall or door; and (ii) a door to be added between the “back office and the corner of the lobby to the right of the current community map and marketing materials area.” This will allow direct access of potential real estate purchasers to the Developer’s representative, while allowing the Club’s office manager a separate office space with direct access for members.

The December 20 2021 modification of the original agreement dated December 31, 2019 was approved by email from each board member. Motion to ratify this agreement was made, seconded and approved unanimously.

These original agreements will be kept on file in the Club’s office manager’s office and as part of the secretarial records and are available for member access upon written request to theclub@cobblecreek.com.

Annual Meeting: The annual meeting will be held January 4th in zoom format due to ongoing concerns regarding Covid. The agenda will include:

- An annual report by Mike Weber
- Financial Report by Eddie Anderson
- Real Estate Update by Randy Griffin
- Introduction of BOD candidates for the elected position: Each candidate will be allotted 5 minutes to present their qualifications, experience and vision for the Club, followed by Q&A for the members.

The members are reminded to submit their votes by mail in the envelope enclosed in their voting packet by January 12th. The winner of the election will be announced by blast email on January 14th.

Appointed BOD position: Following the election, the Developer's representative will appoint an individual to fill the seat to be vacated by Randy Griffin. The term of this appointed seat is two years after which this seat converts to a seat to be elected by the membership.

The board has received resumes from Nick Parrot and Charles "Buck" Andrews. Those individuals not elected to the elected seat will be considered for the appointed position along with Nick Parrot and Buck Andrews. The appointment will be announced at the same time as the announcement of the elected position. Again, the board thanks each of the candidates for their interest in serving the community.

Creekside: The BOD has received a number of communications regarding possible use of the Creekside building. Key to any decision regarding the use of this building is the consideration of what economically is in the best interests of The Club and will provide the best value to the membership. That being said, it is refreshing to hear many positive options being put forward by the members. Mike Weber and Eddie Anderson will put together a summary for the membership addressing the pros and cons of the various suggestions that have been put forth.

HOA Report: Chris Cox reported that the HOA has consulted its attorney regarding the potential modification of the easement agreement. There followed a discussion regarding the complexity of the legalities involved in the relationships between the Club and HOA as they exist as separate entities governed not only by their covenants and their respective corporate documents, but also by various state statutes.

Again, the Club and HOA are in receipt of multiple communications from members outlining options which might benefit the reorganization of these entities. There are a lot of unknowns at this point. It was agreed that the Club and HOA need to further research options to improve the potential viability of the community businesses and community and resident real estate values as well as provision of amenities for the club members.

Once more is known regarding the legal possibilities, an effort will be made to provide this information to the general membership, including the pros and cons of various options. Once the members and each board member have a better understanding of the issues at stake, decisions can be made regarding a pathway forward for the community.

Executive session was then convened to discuss personnel issues.

There being no further business, upon motion duly made, seconded and unanimously carried, the meeting was adjourned at 6:45pm

Betsy Willy

Secretary

