

**Annual Meeting of
CONTINENTAL COUNTRY CLUB
August 27, 2005**

Attending Directors: Terry Lacy, Bob Johnson, Bill McCamley,
Roger McNicoll, Tom Spangler, Virgil Theisen, Bob Cooper,
Bob Zweifel (ex-officio).

Absent: None

1. **CALL TO ORDER:** President Terry Lacy called the meeting to order at 3:00 p.m.
2. **INTRODUCTION OF BOARD MEMBERS:** Lacy introduced the Board of Directors. Lacy announced that there was a quorum of members present and that the meeting would proceed.
3. **APPROVAL OF MINUTES:** The minutes of the Annual Meeting on August 28, 2004 were reviewed. ***MSC (Motion, Second, Carried) to approve the minutes as written.***
4. **To Provide a financially stable organization:**
 - a. 2004 year end financial report: General Manager David Evans reported that the club ended 2004 with: Current Assets of \$953,166; Fixed Assets of \$3,112,571; Other Assets of \$550,999; therefore Total Assets were \$4,616,736. Total Revenue for 2004 was \$2,065,534; Cost of Goods Sold was \$123,725; Total Expenses less taxes and depreciation were \$1,758,632. Earnings before taxes and depreciation were \$183,177.
 - b. 2005 year-to-date financial report: General Manager David Evans reported that the club ended July 31, 2005 with: Current Assets of \$510,674; Fixed Assets of \$3,153,412; Other Assets of \$607,426; therefore Total Assets were \$4,271,512. Total Revenue as of July 31, 2005 was \$1,306,317; Cost of Goods Sold was \$69,055; Total Expenses less taxes and depreciation were \$1,036,835. Earnings before taxes and depreciation were \$200,427.
5. **To preserve and enhance resident's lifestyles and property:**
 - a. Provide quality surroundings: Evans reported on the various recreational facilities and common areas
 - b. Land and Lakes: During the last 12 months Walnut Canyon Lakes had used 6.73 million gallons of reclaimed water and had an operating cost of \$21,832. In the same time period, Lake Elaine had used 174 million gallons of reclaimed water and had operating cost of \$114,472 over the last 12 months.
 - c. Provide quality amenities: Evans reported on the exercise, tennis and water-aerobic glasses offered by the club.
 - d. Provide quality services: A report on two of the club's services, the July Fourth Fireworks and the Continental Project was provided.
6. **To manage a golf course:**
 - a. Course conditions: During the past year, Continental has repaved 10,904 linear feet of cart paths at a cost of \$146,958. Additionally, the bunker on the 14th hole has been rebuilt and the bridge on the second hole is being rebuilt.
 - b. Course operation: For the last 12 months: green fees and cart fees have increased over \$100,000 since 2003. Pro Shop sales were

\$151,610 and Driving Range revenue was \$102,570. Golf Digest magazine recently rated Flagstaff as the 17th best municipality, out of 330, for public access golf.

7. **To manage a restaurant:** The club is in the second year of leasing the food and beverage facilities to Joe Gray who operates Jotini's on the Green.
8. **To govern the club and carry out provisions of the association's CC&Rs:**
 - a. Unified CC&Rs: The current status of the effort to unify the CC&Rs among the 11 single family residence subdivisions was provided.
9. **To envision the future:** General Manager Evans presented a proposed master site plan for the future location of the club's amenities. He stressed that this was a proposal and a starting point for discussions regarding the club's future. He further emphasized that the board was seeking feedback from owners.
10. **To elect new members to open seats for the Board of Directors:** President Lacy introduced candidates for the board and each candidate, who was present, gave a brief statement. Joe Gray withdrew from consideration in order to avoid any appearance of conflict of interest. Additionally, Lacy thanked outgoing board member, Bob Johnson, for his service.
11. **QUESTIONS AND ANSWERS:** Terry Lacy opened the floor to questions. Questions were submitted in writing. David Evans and Terry Lacy responded to all questions.
12. **ANNOUNCEMENT OF ELECTION RESULTS:** The results of the election were reported by Terry Lacy. Those elected to three-year terms were: Bill McCamley, Tom Spangler, and Larry Dannenfeldt. Larry Martin was elected to a two year term and David Ricca was elected to a one year term.
13. **ADJOURNMENT:** There being no further business, the meeting was adjourned at 5:05pm.

Respectfully Submitted,

David L. Evans
General Manager