

Star Valley Ranch Association
Special Board of Directors Meeting
July 2, 2018
7:00 p.m.
Star Valley Ranch Association Cookshack

Ron Denney: Chairman – Present
Jere Kovach: Vice Chairman – Present
Donna Thompson: Treasurer – Present
Fran Moore: Secretary – Present
Robert Meikle: Director - Present
George Toolson: Director - Present
Donna Thompson: Director – Present

Call to order: Chairman Denney called the meeting to order at 7:00 p.m. (See Agenda - Attachment #1)

Chairman Denney stated the purpose of the meeting (Agenda Item 1) was to approve moving forward with the revised loan from the Bank of Star Valley for the replacement of the Silo. In April the Board approved a 1.1 million dollar loan, we now have fixed price bids and the total cost of the building to be \$2,271,946.81. The loan will be for the amount of \$1,452,750.00 and the remaining \$819,196.81 to be paid from SVRA reserve accounts.

- Director Combe made a motion to approve a loan from the Bank of Star Valley in the amount of \$1,452,750.00. This will have a 25-year term. The approximate monthly payment amount for the 10-year fixed rate period will be approximately \$9,360. The interest rate will be 6.0%.
Director Toolson seconded the motion.

Member Bob Horton read the following statement: *"I represent a group of members of Star Valley Ranch that have already put together a class action lawsuit against the Star Valley Ranch Association. We have not decided when to file this class action lawsuit, if this Board proceeds with these motions, this group will meet, and make a decision. If we are successful, you will lose your golf courses, you will lose all your common areas, and this Association will not exist in its present form."*

Member, Boyd Siddoway asked what happens after the fixed ten years?

Many members of the Board responded. The loan is fixed for 10 years then it is variable to be reassessed annually based on Wall Street prime.. It has a base of 4% and a cap of 9%.

Treasurer Thompson stated, "I want you all to know that we hold Board workshops every month, some members are on the phone, but every month. This is the most participation I have seen from our membership and I understand that you are concerned about what the Board is looking to do. We as a Board have gone through every document that we have, we have received, from our attorney, information that they feel we are working within the By-Laws, the DCC&Rs and the Articles of Incorporation. I can read to you what we are looking at but we have been through this process. There have been open Board meetings, open Board workshops every month, and in the last year and half that I have been on this Board, we have

talked about this process, talked about the building, there has been no failure to disclose to anyone anything about what we are planning. You all have been invited every 3 Tuesday of every month and you've all been invited to join in.

What you need to understand is we have the ability to provide this new facility that will be 14 roughly thousand square feet. It will include amenities that were required by us in the deed from Leisure Valley, to have a pro shop, a restaurant, a bar and offices. That was in the deed to us by Leisure Valley. We are required to provide that to our membership. The Silo was not able to provide that for the last 8-10 years. So that's why we, as a Board, to work in the best interest of our membership, and to be bound by the terms in our deed from Leisure Valley have made this decision.

Now, we are not going to ask you for any additional money. This can be done by our regular annual dues, still putting away money for major maintenance, still being able to pay for all of the other things that are affiliated with operation of this ranch and the Association. Yes, there are things that come up; we still have after all of this nearly a quarter of a million dollars on hand to take care of other things that may come up. We are not looking to take this Association down to the bare minimum and see if we can make it work. We have looked at everything, we have received attorney opinions and a lot has happened in the last five years. We are looking to provide our membership with what they deserve and what was there when a lot of you bought, that is no longer there. This is what we as a Board have been looking to do for the last year and half that I have been on the Board..."

Secretary Moore, stated that she was of the opinion, after reading through the material provided her that there will not be a need for a special assessment, there will not be a need for upping of the dues other than our normal percentage that comes up every year because of the standard of living. The money that we already have set aside in a reserve account has been set aside for this building. We have quite a bit of money that needs to be used for that purpose. The monthly payment could be achieved by using part of the money already collected in the maximum annual assessment. Secretary Moore, stated she cannot see a reason not to go ahead.

Member, Whitey Wells stated his concern about the notification requirements for a special meeting.

Member, Boyd Siddoway asked what assets are included in the mortgage.

Vice Chairman Kovach stated that there is 1.1 acres included in the mortgage.

Treasurer Thompson responded to Mr. Wells by stating that in the **By-Laws Article VIII Section 8 Special Meetings – Notices**. Special meetings of the Board of Directors for any purpose may be called at any time by the Chairman, or if he is unable or refuses to act, by the Vice Chairman, or by any two Directors.

Written notice of the time and place of special meetings shall be delivered personally to the Directors or sent to each Director by letter or telegram (email now days), postage or charges prepaid, addressed to him at his address as it is shown upon the records of the Association. In case such notice is mailed or telegraphed, it shall be deposited in the United States Mail or delivered to the telegraph company at or near the place in which the principal office of the Association is located at least forty-eight (48) hours prior to the

time of the holding of the meeting. Such mailing, telegraphing or delivery as provided herein shall be due, legal and personal notice to each Director.

Member Arthur Fermelia voiced his concern with the meeting. He also stated he believed the Board should have a vote with at least 30% of the membership for anything the Board does.

Chairman Denney stated that he believed the Board was fully within the DCC&Rs and By-Laws to proceed.

Member Bob Lujan stated that this Board has been discussing this for the last year and a half, talking about this building, borrowing money, and everything else. Folks are waiting until the very last minute, right when the Board is ready to make the final decision. Everyone has had a year and a half to come out and talk about this. Where have you been? There have been meetings after meetings, open workshops, and nobody has been to them. Here we are, the final last stage, ready to get something done, and now you show up.

Member Whitey Wells stated he thought this building would be up for a vote of the membership, not a vote of 7 Board members.

Member Ken Best stated that unlike what most people at the meeting were saying, he is happy to have a Board that is actually trying to do something. He stated his belief in the reason SVRA is unable to get a quorum is the membership thinks the Association is irrelevant, that it doesn't matter.

We had a silo that was dangerous and now it is gone. He also stated his appreciation of the fact that if we have a new building with a pro shop, offices, and restaurant, it improves his property value, it doesn't diminish it. Over the past 50 years you have a faction against something that sues those that want it, and nothing gets done. We end up spending all our money suing each other as opposed to improving the place. My opinion is if SVRA has the money and it doesn't increase assessments and you can pay for the building, do it.

Member, Boyd Siddoway asked about the possible conflict of interest with Vice Chairman Kovach.

Vice Chairman Kovach stated for the record that while he is abstaining from voting, and he has abstained on any issues regarding the SVRA while serving as a member of the Bank of Star Valley Board. He is on the Bank of Star Valley Board of Directors but has never been an employee of the Bank of Star Valley. He is only a shareholder.

Treasurer Thompson stated that we sent requests to 4 local banks and the only bank to respond, with an offer, by our deadline, was the Bank of Star Valley.

Board votes as follows:

Chairman Denney-aye

Vice Chairman Kovach – abstain

Treasurer Thompson – aye

Secretary Moore – aye

Director Toolson – aye

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Director Combe – aye
Director Meikle – opposed

Director Meikle asked that an email he had previously sent to the Board be appended to these meeting minutes as explanation for his opposition. Chairman Denney stipulated that the email could be appended, but did not allow Director Meikle to read it at the meeting, as the vote had already be taken and the motion was approved. (See Robert Meikle Email - Attachment #2).

Motion passed.

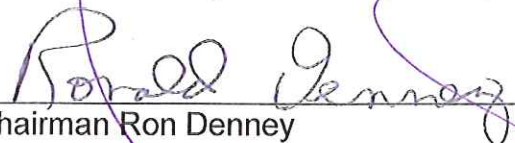
- Director Combe made a motion (Agenda Item 2) to allow Ron Denney, Chairman and Donna Thompson, Treasurer to sign the loan documents.
Director Toolson seconded the motion.

Board votes as follows:
Chairman Denney-aye
Vice Chairman Kovach – abstain
Treasurer Thompson – aye
Secretary Moore – aye
Director Toolson – aye
Director Combe – aye
Director Meikle – opposed

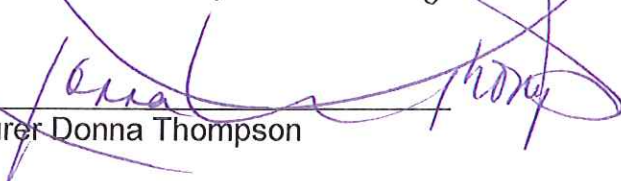
Motion passed.

9. Adjournment*

- Director Toolson made a motion to adjourn.
Treasurer Thompson seconded the motion.
Motion passed unanimously at 7:23 p.m.


Chairman Ron Denney

Vice Chairman Jere Kovach


Treasurer Donna Thompson


Secretary Fran Moore

Director George Toolson


Director Marsha Combe


Director Robert Meikle

Agenda - Attachment #1

The vision of the SVRA is to provide and promote well maintained facilities, and promote affordable recreational and social opportunities for its community under the OCCC&R.

STAR VALLEY RANCH ASSOCIATION

SPECIAL BOARD OF DIRECTORS MEETING

JULY 2, 2018

7 p.m. SVRA Cookshack

AGENDA

Call to Order – 7 p.m. – Statement of Quorum

Purpose: To approve moving forward with the loan from the Bank of Star Valley for the replacement of the silo.

- Motion to approve a loan from the Bank of Star Valley in the amount of \$1,452,750. This will have a 25-year term. The approximate monthly payment amount for the 10-year fixed rate period will be approximately \$9,360. The interest rate will be 6.0%.*
- Motion to allow Ron Denney, Chairman and Donna Thompson, Treasurer to sign loan documents.

Adjournment*

** Indicates Items Requiring a Motion*

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Robert Meikle Email - Attachment #2

Tallia Booker

From: robert meikle <robertmeikle4@gmail.com>
Sent: Saturday, June 30, 2018 5:50 AM
To: combemarsha@gmail.com; george@toolson.com; ustitlegal@gmail.com; Talia Booker; denney@silverstar.com
Cc: fran_moore@msn.com; jkovach@silverstar.com; jstrother@strotherlawidaho.com
Subject: scan0005.pdf
Attachments: scan0005.pdf; Untitled attachment 00063.txt

Statement for SPECIAL MEETING: Cook-shack, 7:00pm, Monday Evening, JULY 2

GREETINGS: This is my official position on the SILO REPLACEMENT PROJECT. Please make sure this gets recorded in the MEETING MINUTES. THANKS. BOB MEIKLE, 208-949-7643. robertmeikle4@gmail.com. PLEASE RECONSIDER APPROVING THESE MOTIONS. The out come is quite predictable.

Commencing in 2014, my attorney Jeff Strothers, sent you a letter expressing the opinion that a special assessment must be approved by the members of the Association in order to build a capital improvement. Since that time, the Board has received two other opinions expressing the same conclusion that a special assessment must be approved by the members before building a capital improvement; one from Holland and Hart and one from Frank Hess, our own attorney. Apparently, the Board accepted these opinions and acted in accordance with the CCRs and submitted the request to the members of the Association to approve a special assessment to build a new facility.

The membership did not approve the financing or proposed new facility, expressly set out in the request from the Board. Yet today, the Board is here to vote on approving a loan, the details of which have not been fully disclosed to the membership, which is contrary to the advice previously rendered, a violation of the CCRs, a reversal of the Boards previous actions to seek membership approval, and a violation of the Directors' fiduciary duty to the members.

Not only do I protest the proposed approval of the financial transactions to build a new facility contrary to the desires of the membership, but will not support such actions. I urge my fellow board members to do the same.

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