

**A NON-PROFIT CORPORATION  
BOARD OF DIRECTOR'S MEETING**

March 15, 2008

Present: Joe Angelovic, Chairman  
Larry Watt, Vice-Chairman  
Carl Brown, Secretary  
Kathy Dietz, Director (Present by Phone)  
Jan Jonson, Director  
David Ward, Director (Present by Phone)  
Bruce Bates, General Manager  
Heather Bigelow, Office Manager

The regular meeting of the Star Valley Ranch Association's Board of Directors was held March 15, 2008 in the Association's Library. Several Association members were in attendance. A list of the members in attendance is attached to the file copy of these minutes. Chairman Angelovic called the meeting to order at 9:00 AM.

**Approve Agenda: Director Watt moved to adopt the Agenda. Director Jonson seconded the motion. The motion was unanimously adopted.**

**Approve Minutes: Director Watt moved to approve the minutes of the February 16, 2008 meeting with one change in wording from resend to rescind. Director Jonson seconded the motion. The motion was unanimously adopted as amended.**

**Standing and Special Committee Reports:**

**Chairman's Report:** Chairman Angelovic presented the following.

As a preface to my report I want to state that the Board agrees wholeheartedly with what I am about to say.

For some time now the Board has not responded to the propaganda documents that have been circulated by the group of dissidents on the Ranch because they are so full of inaccuracies and misinformation. Now however, because there has been an outcry for the real facts, the Board has decided to publicly address just one section of the latest version that contains several factual errors. These inaccuracies have already been addressed in the General Manager's answer to the latest barrage and this report merely amplifies or explains his remarks further. The point being the Board would like their opinion of the propaganda on the record.

Before we address those points let me explain something. I have been asked why I refer to these documents as propaganda. Rather than defend my choice of words I would refer you to the following definitions and allow you to draw your own conclusion.

1. **Propaganda** is a concerted set of messages aimed at influencing the opinions or behavior of large numbers of people. Instead of impartially providing information, propaganda in its most basic sense presents information in order to influence its audience. The most effective propaganda is often completely truthful, but some propaganda presents facts selectively to encourage a particular synthesis, or gives loaded messages in order to produce an emotional rather than rational response to the information presented. The desired result is a change of the cognitive narrative of the subject in the target audience. - **Dictionary definition**

2. Propaganda is the deliberate, systematic attempt to shape perceptions, manipulate cognitions, and direct behavior to achieve a response that furthers the desired intent of the propagandist.

– Garth S. Jowett and Victoria O'Donnell, **Propaganda And Persuasion**

It is my perception that the misinformation and the threats of a lawsuit contained in the aforementioned documents are propaganda and a deliberate attempt to coerce or blackmail the Association. This is exactly the tactic that the dissidents claim the Board uses to carry out directives that govern the Association.

One other point to keep in mind is that all of the stated facts that follow can be verified something that cannot be said for the fictional statements.

1.) **FICTION:** SVRCC's claim that they forced the Board's decisions on four items.

**FACT:** SVRCC has had absolutely no interaction with the Board on any of these issues. Their officers, who we assume are their representatives, never commented to the Board, either orally or in writing, on any of the points for which they claim credit. In fact, with one exception, they don't even attend Board meetings.

2). **FICTION:** The SVRCC reversed your Board's decision to allow test drilling of wells on Association property.

**FACT:** The engineering company's original project was impractical due to the encumbrances and scope that the project would place on the Association's property. The Board had several valid concerns about the original proposal that were expressed at the Board meeting and were available in the minutes for anyone who wished to know the facts. Because a Director's duty is to protect and maintain the assets of the Association, and because the deadline in the proposal allowed no time for negotiations, the Board had no choice but to turn the first proposal down. These concerns were relayed to the engineering firm and, when there

was a change at the Sate level in the rules, the engineers redesigned the project taking the Association's concerns into consideration and the project is now moving forward.

3). **FICTION:** The SVRCC increased the size of dog runs.

**FACT:** The signatures of two Directors are needed on every approval or disapproval of requests for dog runs. While doing this it was noted that many of the disapprovals were because the runs were a mere six square feet over that allowed. This fact was brought to the attention of your Architectural Committee and they, through research and discussion, and with no input from any member of SVRCC, recommended and the Board approved an increase in the allowable size of a dog run from 90 sq. ft. to 128 sq. ft. There were two reasons for the change, one being the size of chain link panels being commonly used and two being a consensus that members preferred slightly larger areas for their pets.

4). **FICTION:** The SVRCC mandated that the Golf Pro contract be jettisoned.

**FACT:** Eric, our current Golf Pro mentioned to three Directors that he would prefer to be an employee of the Ranch. Directors Watts and Angelovic relayed this to the General Manager along with their thought that this might be a win/win situation. Your General Manager took it upon himself, after the Pro's contract already had been authorized, to present the Board with a thorough analysis of the differences between the Pro being a contractor or an employee. He did this without any discussion with SVRCC or even your Board of Directors, until he had formulated a Plan of Action.

5). **FICTION:** The SVRCC forced the SVRA meetings into transparency and future meetings will be entirely open.

**FACT:** SVRA Executive meetings will remain closed for legal reasons, due to the need for privacy on employee and legal matters. A Board could not change that policy without opening the entire Association up to possible litigation. There is also the fact that, before the SVRCC was formed, the Board had adopted a policy that monthly Board meetings and all committee meetings, except for the legal and personnel issues, would be open to all interested members.

In my opinion, after seeing all the inaccuracies in this one section of the referenced propaganda documents, a thinking person would have serious doubts as to the validity of the rest of the document.

**Golf:** No Report was given.

**Green:** Director Watt gave the following report:

Next week Mark Spraktes our Greens Superintendent will be attending a greens seminar in Alabama and when he returns he will be applying sand to the greens to assist in melting the snow. The fungicide that is applied in the fall only lasts about six months. The snow needs to be removed so any bacteria under the snow can be exposed to the air. We also have some new golf carts coming in.

**House and Entertainment Committee:** No report was given.

**Long Range Planning Committee:** No report.

**Utilities Committee:** Director Ward gave the following report:

In the next six weeks or so we will be preparing to remove the underground storage tanks unless we hear something differently. We will be working with the town to get the tanks out of the ground. Unless someone comes up with a better idea, we will be going ahead as planned.

**Architectural Control Committee:** Elmer Beck gave the following report:

The total of new starts this month is one which makes an overall total of homes 933.

**FISC III:** Director Jonson gave the following report:

The total of consent to sell forms we have received is now 560. We are in the process of sending out another copy of the consent to sell form and a letter with a self address stamped envelope to everyone who has not yet signed one. A few members have inquired what the money will go towards from the sale of the property. To clarify, it will go toward the debt we have accrued putting in the new irrigation system on Aspen Hills.

**General Manager's Report:** Bruce Bates, General Manager gave the following report:

- a. **Financial:** Our revenues are down 5% from where they should be due to the collection of assessment payments. We are 6% ahead of paying our liabilities off this month. The budget is balanced.
- b. **Silo & Cedar Creek Restaurants:** The Silo Restaurant will be leased by a two generation family. They will start getting things ready to open at the end of April. The Cedar Creek Grill will be leased by a single person moving in from Montana. Her proposal is in negotiation with the Board to decide how much to charge her for the utilities because the Board and the Association has decided that we cannot make money off of this person. Both of these restaurants will be available for catering.
- c. **Charitable Contributions:** The Board of Directors has decided that none of the assessment money collected should go towards charitable contributions, each individual can decide for themselves which charities they wish to donate to personally.

	<u>Feb 29, 08</u>	<u>Jan 31, 08</u>	<u>\$ Change</u>	<u>% Change</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Checking/Savings</b>				
1000 · Wells Fargo Operating Account	-3,413.70	21,763.03	25,176.73	-115.69%
1002 · Wells Fargo Reserve Account				
1073 · Pollack Award	1,038.70	1,038.70	0.00	0.0%
1075 · Golf Course Irrigation-Pool Bld	36,476.35	35,026.35	1,450.00	4.14%
1076 · Water Reserve Account	15,847.55	15,847.55	0.00	0.0%
1077 · Assessment Income Reserve	107,739.58	123,648.77	15,909.19	-12.87%
1078 · Designated Funds Reserve	163,148.27	164,758.27	-1,610.00	-0.98%
1080 · WF Contra-Account Reserve	-236,393.45	-286,393.45	50,000.00	-17.46%
1002 · Wells Fargo Reserve Account - Other	-712.80	-712.80	0.00	0.0%
<b>Total 1002 · Wells Fargo Reserve Account</b>	<u>87,144.20</u>	<u>53,213.39</u>	<u>33,930.81</u>	<u>63.76%</u>
1003 · PayPal Account	-91.49	-91.49	0.00	0.0%
1004 · Petty Cash	300.00	294.21	5.79	1.97%
1007 · Bank of Star Valley Savings	3,331.20	3,331.20	0.00	0.0%
1008 · Bank of Star Valley Checking				

1008-02 · B of SV Assessment Reserve	2,105.00	2,294.85	-189.85	-8.27%
<b>Total 1008 · Bank of Star Valley Checking</b>	<b>2,105.00</b>	<b>2,294.85</b>	<b>-189.85</b>	<b>-8.27%</b>
<b>1009 · Bank of SV Short Term CD</b>				
1089 · BSV Unrestricted Funds	156,868.19	156,868.19	0.00	0.0%
<b>Total 1009 · Bank of SV Short Term CD</b>	<b>156,868.19</b>	<b>156,868.19</b>	<b>0.00</b>	<b>0.0%</b>
1014 · Tennis Court Cash Reserve Fund	12,692.19	12,692.19	0.00	0.0%
<b>1070 · Long-Term CD Bank of SV</b>				
1081 · CD-Unrestricted Funds	76,995.04	76,995.04	0.00	0.0%
1082 · CD-Depreciation/Equip. Reserve	234,864.16	234,864.16	0.00	0.0%
1083 · CD-Water Reserve Fund	72,425.73	72,425.73	0.00	0.0%
1084 · CD-Designated Fund Reserve	20,000.00	20,000.00	0.00	0.0%
<b>Total 1070 · Long-Term CD Bank of SV</b>	<b>404,284.93</b>	<b>404,284.93</b>	<b>0.00</b>	<b>0.0%</b>
1074 · Short Term Reserve Investment	236,393.45	286,393.45	50,000.00	-17.46%
<b>Total Checking/Savings</b>	<b>899,613.97</b>	<b>941,043.95</b>	<b>41,429.98</b>	<b>-4.4%</b>
<b>Accounts Receivable</b>				
1015 · Accounts Receivable	660,714.25	695,593.91	34,879.66	-5.01%
<b>Total Accounts Receivable</b>	<b>660,714.25</b>	<b>695,593.91</b>	<b>34,879.66</b>	<b>-5.01%</b>
<b>Other Current Assets</b>				
<b>Other Current Assets</b>				
1011 · Prepaid Accounts	11,422.57	12,691.74	-1,269.17	-10.0%
1012 · Returned Checks	1,741.94	1,741.94	0.00	0.0%
1016-12 · Future Construction Fund	43,478.46	43,478.46	0.00	0.0%
1018 · Marketable Securities at FMV	13,534.95	13,534.95	0.00	0.0%
1019 · Accounts Receivable-Other	-9.67	277.32	-286.99	-103.49%
<b>Total Other Current Assets</b>	<b>70,168.25</b>	<b>71,724.41</b>	<b>-1,556.16</b>	<b>-2.17%</b>
<b>Total Other Current Assets</b>	<b>70,168.25</b>	<b>71,724.41</b>	<b>-1,556.16</b>	<b>-2.17%</b>
<b>Total Current Assets</b>	<b>1,630,496.47</b>	<b>1,708,362.27</b>	<b>77,865.80</b>	<b>-4.56%</b>
<b>Fixed Assets</b>				
<b>Fixed Assets at Cost</b>				
1020 · Equipment	717,626.10	692,626.10	25,000.00	3.61%
1023 · Water/Irrigation	1,665,986.88	1,665,986.88	0.00	0.0%
1024 · Water Rights/LVI	220,000.00	220,000.00	0.00	0.0%
1027 · Vehicles	16,635.00	16,635.00	0.00	0.0%
1028 · Other Non-Depreciable Assets	106,485.00	106,485.00	0.00	0.0%
1030 · Land	164,421.00	164,421.00	0.00	0.0%
1031 · Land Improvements	20,176.00	20,176.00	0.00	0.0%
1035 · Buildings & Improvements	962,205.04	962,205.04	0.00	0.0%
<b>1036 · Improvements -Dedicated Funds</b>				
1037 · Cedar Creek Park Improvements	4,261.97	4,261.97	0.00	0.0%
1038 · T-Box Markers GC Improvement	12,252.22	12,252.22	0.00	0.0%

1039 · Tennis Court Improvement	9,500.00	9,500.00	0.00	0.0%
<b>Total 1036 · Improvements -Dedicated Funds</b>	<b>26,014.19</b>	<b>26,014.19</b>	<b>0.00</b>	<b>0.0%</b>
<b>Total Fixed Assets at Cost</b>	<b>3,899,549.21</b>	<b>3,874,549.21</b>	<b>25,000.00</b>	<b>0.65%</b>
1022 · Accum Deprec - Equipment	1,425,767.87	1,425,767.87	0.00	0.0%
<b>Total Fixed Assets</b>	<b>2,473,781.34</b>	<b>2,448,781.34</b>	<b>25,000.00</b>	<b>1.02%</b>
<b>TOTAL ASSETS</b>	<b>4,104,277.81</b>	<b>4,157,143.61</b>	<b>52,865.80</b>	<b>-1.27%</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
<b>Accounts Payable</b>				
<b>1101 · Accounts Payable</b>				
1101 · Accounts Payable - Other	-4,280.99	-3,847.62	-433.37	11.26%
<b>Total 1101 · Accounts Payable</b>	<b>-4,280.99</b>	<b>-3,847.62</b>	<b>-433.37</b>	<b>11.26%</b>
<b>Total Accounts Payable</b>	<b>-4,280.99</b>	<b>-3,847.62</b>	<b>-433.37</b>	<b>11.26%</b>
<b>Other Current Liabilities</b>				
<b>Accrued Liabilities</b>				
2104 · Accrued Property Taxes	3,666.67	3,666.67	0.00	0.0%
2110 · Deferred Assessment Revenue	704,212.20	775,321.46	71,109.26	-9.17%
2113 · Accrued Interest	3,666.67	3,666.67	0.00	0.0%
<b>Total Accrued Liabilities</b>	<b>711,545.54</b>	<b>782,654.80</b>	<b>71,109.26</b>	<b>-9.09%</b>
<b>Other Current Liability</b>				
<b>2325 · Designated Funds</b>				
2327 · Neighborhood Directory	1,164.06	1,164.06	0.00	0.0%
2328 · T-Box Program	3,485.88	3,485.88	0.00	0.0%
2329 · Cedar Creek Park	386.09	386.09	0.00	0.0%
2332 · Building Deposits	112,100.00	114,100.00	-2,000.00	-1.75%
2336 · H & E Special Project	4,518.10	4,511.10	7.00	0.16%
2337 · Memorial Fund	614.83	614.83	0.00	0.0%
2338 · Member Guest Golf Fund	16.89	16.89	0.00	0.0%
2340 · FISC II Fund	6,129.70	6,129.70	0.00	0.0%
2341 · Snack Shack Fund	1,641.44	1,641.44	0.00	0.0%
2343 · Youth Committee	367.59	367.59	0.00	0.0%
2344 · Beautification Restricted Fund	262.49	262.49	0.00	0.0%
2345 · AH Design & GPS	30,225.00	30,225.00	0.00	0.0%
2346 · Cook Shack	12,917.35	12,917.35	0.00	0.0%
2347 · Inspection Fees	6,800.00	6,700.00	100.00	1.49%
2348 · Snowmobile Fees	1,515.00	1,175.00	340.00	28.94%
2350 · Ladies Tee Boxes	1,060.85	1,060.85	0.00	0.0%
<b>Total 2325 · Designated Funds</b>	<b>183,205.27</b>	<b>184,758.27</b>	<b>-1,553.00</b>	<b>-0.84%</b>
2326 · Tennis Fund-Edward Jones	500.00	500.00	0.00	0.0%

<b>Total Other Current Liability</b>	183,705.27	185,258.27	-1,553.00	-0.84%
<b>2100 - Payroll Liabilities</b>				
<b>2101 - Payroll Taxes Payable</b>	1,116.55	1,002.58	113.97	11.37%
<b>2103 - Accrued Vacation</b>	7,193.29	7,193.29	0.00	0.0%
<b>2100 - Payroll Liabilities - Other</b>	959.01	471.72	487.29	103.3%
<b>Total 2100 - Payroll Liabilities</b>	<u>9,268.85</u>	<u>8,667.59</u>	<u>601.26</u>	<u>6.94%</u>
<b>Total Other Current Liabilities</b>	<u>904,519.66</u>	<u>976,580.66</u>	<u>72,061.00</u>	<u>-7.38%</u>
<b>Total Current Liabilities</b>	900,238.67	972,733.04	72,494.37	-7.45%
<b>Long Term Liabilities</b>				
<b>Notes Payable</b>				
<b>2112 - GC Irrigation Note BoSV</b>	350,769.60	350,769.60	0.00	0.0%
<b>Total Notes Payable</b>	350,769.60	350,769.60	0.00	0.0%
<b>2119 - Long-Term Capital Lease</b>	135,046.15	147,172.00	12,125.85	-8.24%
<b>Total Long Term Liabilities</b>	<u>485,815.75</u>	<u>497,941.60</u>	<u>12,125.85</u>	<u>-2.44%</u>
<b>Total Liabilities</b>	1,386,054.42	1,470,674.64	84,620.22	-5.75%
<b>Equity</b>				
<b>Net Worth</b>				
<b>3150 - Retained Earnings</b>	768,615.23	768,615.23	0.00	0.0%
<b>3151 - Unrealized Gain on Securities</b>	-6,549.22	-6,549.22	0.00	0.0%
<b>3152 - Water System Transfer</b>	-910,262.77	-910,262.77	0.00	0.0%
<b>3160 - Contributed Capital</b>	1,545,156.75	1,545,156.75	0.00	0.0%
<b>Total Net Worth</b>	1,396,959.99	1,396,959.99	0.00	0.0%
<b>3000 - 2000 Net profit</b>	-2.51	-2.51	0.00	0.0%
<b>3900 - Retained Earnings</b>	1,246,339.64	1,246,339.64	0.00	0.0%
<b>Net Income</b>	74,926.27	43,171.85	31,754.42	73.55%
<b>Total Equity</b>	<u>2,718,223.39</u>	<u>2,686,468.97</u>	<u>31,754.42</u>	<u>1.18%</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u>4,104,277.81</u>	<u>4,157,143.61</u>	<u>52,865.80</u>	<u>-1.27%</u>

**Old Business:**

- a. **Update on Election Committee:** Chairman Brown Reported that there has been no changes. We are still looking for an Election Chairman.
- b. **Update on Policy Manual:** No update was given.

**Adjourn:**

**Director Watt moved to adjourn the meeting. Director Johnson seconded the motion. The motion was unanimously adopted. The meeting adjourned at 9:45 AM.**

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**Joe Angelovic, Chairman**

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**Larry Watt, Vice-Chairman**

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**Carl Brown, Secretary-Treasurer**

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**Kathy Dietz, Director**

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**Jan Jonson, Director**

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**Jack Petty, Director**

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**Dave Ward, Director**