

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

November 17, 2007

Present: Joe Angelovic, Chairman  
Larry Watt, Vice-Chairman  
Kathy Dietz, Director (Present by Phone)  
Jan Jonson, Director  
Jack Petty, Director (Present by Phone)  
David Ward, Director  
Sharon Backus, General Manager  
Heather Bigelow, Recorder

Not Present: Carl Brown, Director

The regular meeting of the Star Valley Ranch Association's Board of Directors was held November 17, 2007 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.

**Director Ward moved to add item 7c; "Robert Point's request for approval to replat Plat 06 Lots 44 and 45"; and to change the order of the agenda to consider item 7c as the second item on the agenda. Director Jonson seconded the motion. The motion was unanimously adopted.**

**Adoption of the Amended Agenda: Director Ward moved to adopt the amended agenda. Director Jonson seconded the motion. The motion was unanimously adopted.**

**Item 7c. Replat of Plat 6 lots 44 and 45.** Mr. Lloyd Baker of Baker Surveying representing Mr. Point, presented the proposed replat. Mr. Baker explained that Lot 44 will not be 0.35 acres and Lot 45 will now be 0.51 acres. Mr. Baker also stated that the requisite easements have been incorporated into the replat as proposed.

**Director Watt moved to approve the request by Robert Point to replat Lots 44 and 45 of Plat 06, so he could have a building lot on the lot that he was forced to buy do to a mistake in building a home over the property line, contingent on the county's requirements in changing the lot numbers. Director Ward seconded the motion. The motion was unanimously adopted.**

**Approve Minutes: Director Petty moved to approve the minutes of the October 13, 2007 meeting as written. Director Dietz seconded the motion. The motion was unanimously adopted.**

**Standing and Special Committee Reports:**

**Chairman, Finance and Legal:** Chairman Angelovic gave the following report:

Chairman Angelovic stated that his first item is regarding the General Manager position that will be left vacant with the resignation of our current General Manager. He said that we have had over sixty applications that the Board of Directors has narrowed down to five candidates. They have a procedure in place that includes telephone interviews and face-to-face interviews before the Board makes the final selection.

Regarding Finance and Legal the first thing that I would like to talk about is the O'Ney vs. SVRA case. This case was about an unapproved fence. The case ended in a settlement in the Associations favor. (Chairman Angelovic had the following read aloud for the Members).

**IN THE DISTRICT COURT, OF THE THIRD JUDICIAL DISTRICT**

**IN AND FOR THE COUNTY OF LINCOLN STATE OF WYOMING**

STAR VALLEY RANCH	)	
ASSOCIATION, INC.,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	Civil No. _____
	)	
PATRICK O'NEY,	)	
SUSAN E. O'NEY,	)	
	)	
Defendants.	)	
_____	)	

**SETTLEMENT AGREEMENT AND  
MOTION TO DISMISS**

AN AGREEMENT entered into this 16<sup>th</sup> day of November, 2007 between the Plaintiff the Star Valley Association, Inc., a Wyoming nonprofit corporation, and the Defendants Patrick O'Ney and Susan O'Ney, the Plaintiffs represented by James K. Sanderson, Attorney at Law and the Defendants represented by W. Keith Goody, Attorney at Law, whereby the Plaintiffs, in accordance with the terms outlined below, do hereby move this Court for a dismissal of the above-entitled case without prejudice.

WHEREFORE, pursuant to the terms of the settlement negotiations the Parties do agree and stipulate to the following terms:

1. The Defendants shall remove, or cause to be removed, all structures, fences, dog-runs and/or buildings for which they have not received approval by the Architectural Control Committee for the Star Valley Ranch Association, Inc. no later than ninety (90) days from the execution of this agreement

2. In the event of default on the part of the Defendants to comply with this Agreement within the time frame agreed upon, the Defendants shall be liable for the

*Plaintiffs attorneys fees and costs associated with the enforcement of this Agreement. The Plaintiffs' attorney's fees shall be charged at a rate of no more than One Hundred Fifty Dollars (\$150.00) per hour.*

3. *Upon completion of the removal of the noncompliant structures, the Defendants shall provide proof of said compliance to the manager of the Star Valley Ranch Association, Inc.*

*WHEREFORE, pursuant to the terms of this Agreement, the Plaintiff, Star Valley Ranch Association does hereby move this Court for an order dismissing the above-entitled matter without prejudice.*

*DATED this \_\_\_\_ day of November, 2007.*

Chairman Angelovic stated that the Finance Committee is still working on a few items even though their job is usually complete after the operating budget is adopted. The first thing they are looking into is getting bids for the employee's health insurance. The other thing they are researching is how to cut costs with the Associations phone services.

DCCR enforcement is the next thing he would like to comment upon. The Board sent out a letter to all members asking them to voluntarily comply with the DCCRs giving them thirty days. Anyone who was in violation after that time frame was sent a certified letter giving them ten days to comply. The Board noticed that they cannot try to enforce all the violations at one time so they set up a priority list largely based on the amount of complaints they have received. The first two priorities are Article VIII Section 10 of the Declaration of Covenants The section referenced reads:

*"No boats, trailers, campers, house trailers, vans or trucks larger than one-half ton capacity shall be Parked or stored upon the roadways and streets of the property or in the driveways of any lot or upon the portion of any lot which is visible from said street and roadway. No automobile, motorcycle, trailer, boat, truck or similar vehicle shall be repaired or painted upon the portion of any lot which is visible from the streets or roadways of the property."*

The second priority is Article VII Section 1 which reads:

*"No building, fence, structural wall, or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing, as to harmony of external design and location in relation to surrounding structures and topography, by the Board of Directors of the Association, or by an Architectural Committee composed of three (3) or more representatives appointed by the Board."*

Considering which Plat to start with they chose to go with a random number generator. They generated the order of Plats in which to begin the enforcement. But turns out that was not necessary because the volunteers that canvassed the ranch only took a matter of days not the weeks he thought it would take. They took photos of all the violation, Sharon generated two letters asking in one of the letter that the offending trailer to be moved and in one of letters asking that they fill out a building permit for any fence or dog run, and in one day the office staff

had 193 letters sent out. There were 200 plus violations noted and they are starting to get some responses.

The other thing that they have started considering is that 2012 is coming up quickly. They are discussing how to approach it they are discussing a timeline and the best way of communication with the members so that everyone has adequate input. This is just in the planning phase the discussion will continue over the winter.

**Chairman Angelovic moved that the Board approve that Ron Thacker, Carolyn Thacker, Kathleen Logan and Kathy Daulton to the Finance-Legal Committee as a sub-committee for Legal only to help with the DCCR enforcement and revision. Director Jonson seconded the motion. The motion was unanimously adopted.**

**Golf:** No report given.

**Green:** Director Watt reported that the course is closed, the greens have been treated with fungicide and the new irrigation system is in place.

**House and Entertainment Committee:** Halina Bukowski reported that House Entertainment Committee will stay busy through the winter but not as busy as summer time. The Talent Show went well but the attendance was low. This years Oktoberfest had a lower attendance than last year so that event will be moved to September next year. The Thanksgiving Potluck had the best attendance that she has seen. On December 8 they are having the Christmas party for the kids at 8:00 am followed by a potluck at 1:00 pm for the rest of the membership. For next year, they are going to host all the events that they have had in the past, even though their membership has shrunk. The Ladies Luncheon will be hosted by Diane Jones. The next couple of big events will be, the Dinner Show hosted by Gillian Kabat and The Arts and Crafts will be held at the end of July, hosted by Shauna Crittenden. She stated that they are looking for new members.

**Long Range Planning Committee:** No report was given

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

The problems with the underground storage tanks are being resolved. In 1989 statutes were adopted that required registration of all underground storage tanks. We completed paying for 18 years of back registration fees last week of \$14,000 on our 3 tanks. We are now in compliance but our tanks were not built to the proper specs they need to be. Director Ward stated that he has talked with the Mayor who has agreed to the town helping us get the tanks out of the ground. A person from the DEQ will need to be on sight for the removal of the tanks. He does not consider us a high priority due to our ground water depth. If any clean up must be done the State will pay for it. The only other cost we will have is that the tanks must be decommissioned which means they must be disposed of properly by a contractor that is licensed to do that. We receive a notice that we have done this properly. The actual removal of the tank will be done, he assumes in May or June.

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

We have 23 new starts with a total of 930 total starts. We found a house that was not in the count, which officially brings the total starts to 931. We have also received a number of permit requests for landscaping and other projects.

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

The Association has received 464 consent to sell forms returned, that leaves us 892 to go. To get the rest she states that it may require one more big push. Suggestions are welcome.

**General Manager's Report:** Sharon Backus, General Manager gave the following report:

**Form 990 and 2006 Audit:** SVRA's tax return, Form 990, for fiscal year 2006 was filed on November 15. Mr. Dubisz had requested two extensions but the return was finished and on the 15<sup>th</sup>. The audit is nearly finished. It is anticipated that it will be completed by the 27<sup>th</sup>. The audit will be posted on the website when I receive it and we will send out an email notifying you that it is available on line. Anyone wishing to obtain a copy of the Forms 990 and 990T should come to the office and request this.

**DCCR Enforcement:** The office staff prepared and sent by certified mail the first round of 193 letters giving notice regarding violations of the covenants as directed by the Board at a cost of \$1,038.30. These letters address boats, trailers, semi-trucks, unauthorized fences and dog runs. The Board set those as priority items. The Members were given 10 days to remove the trailers, boats and semi-trucks and violators of the fence or dog run were given ten days to file the building permit for approval by the Architectural Committee. A number of Members seem to be confused by what is prohibited but that is why I copied the covenant language into the letter. We can all be confused together. I have already received a number of calls regarding the letter. I encourage anyone who has a question on the letter to please call me so we can discuss this further. I want to thank Elmer Beck for checking the records back for years to determine which fences had been approved by the Architectural Committee, thank you Elmer for all your help.

**Winter Preparation:** In preparation for winter, all buildings have been winterized. The golf courses are closed and the fungicide has been applied. Please do not golf on the courses even if the weather holds as the fungicide residue sticks to your shoes and where you step is no longer protected from the mold. Also, we would hate for anyone to get sick from getting the chemicals on your skin.

**2008 Assessment:** We have a group of volunteers coming up on Wednesday to prepare the statements for mailing. I want to remind the members that the 2008 Assessment was increased by the increase of the July CPI over the previous July of 2.4% to \$421.02. You will be able to take a deduction of \$9.87 if you pay by check or cash on or before the due date of March 31, 2008. This fact that the assessment was increased to \$421.02 means that next year's assessment will be calculated from the \$421.02 figure even if you take the discount allowed. The statement reflects this notice.

**New Staff:** Mary Garrett left SVRA after six years of service. We wish her the best in all her future endeavors. Mary's replacement is Kelly Alldaffer. Please make it a point to come up to the office and meet her.

**Annual Newsletter:** This is the final call for articles for the Annual Newsletter. Any Director serving as Chairman of a standing or special committee should have emailed his or her report to Kelly by the end of the month. If any Director wishes to make a change to their report due to action taken by the Board, please email Kelly and she will make the changes. Any committees or groups wishing to place articles or information for an upcoming event should observe this deadline as well.

**Cook Shack Project:** The Cook Shack is nearing completion. All that remains to be done on the contracts with Wicks Construction is the taping, texturing and painting the ceiling, South and East wall and to blow in the insulation for the ceiling. The remainder of the work approved in Phase 2 but not included on a contract with Mr. Wicks, will be completed by volunteers and by Ernie during the winter. The 2008 operating budget includes \$5000.00 for a new floor. The funds, which have been budget but not expended will be restricted for use in 2008 per directive by the Board.

**Aspen Hills Irrigation Design:** The Aspen Hills water conservation project is completed. The final inspection was completed on October 30. Mark and I witnessed each sprinkler working and inspected the course for any debris or unfinished work. I am pleased to inform you that the all debris was picked up, all sod replaced and the course was left in beautiful condition. O & J Construction was notified in writing that the inspection was finalized, the final retained funds will be issued once we have received an affidavit signed by each sub-contractor that all fees owed to them have been paid in full. The one-year warranty on the system will commence on the day the final check is cut. There were no change orders added to the contract. The project was completed per the contract. Two items that were not included in the contract were the electrical connection from the control box to the transformer, which has been completed, and construction of a vault around the filter in Green Canyon. This project will be completed if the weather permits this fall or if not, early next spring.

**Delinquent Accounts:** By way of update, there were 141 delinquent accounts turned over to the Corporate Counsel for collection and to date we have received payment from 125, leaving 16 unpaid. The complaints for each delinquent account were filed Thursday. Once the summary judgment is granted, we will file a lien on each lot and then we can publish the foreclosure sale. We continue to pursue the collection of these delinquent accounts.

**Legal Fees:** October's bill for legal fees totaled \$340.60, which was expended on DCCR enforcement for Bell; response to Woljer and Wickel and collection of delinquent accounts including Mr. Burch.

**Legal & Finance Committee Approval:** Gene Root, a member of the Legal & Finance Committee has approved the financial report given in the October 13, 2007 meeting. Thank you Gene, for verifying the report and figures contained therein.

#### October 2007 Draft Financials

	Oct 07	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Administration Services	10,076.40	855.00	9,221.40	1,178.53%
Assessment/Transfer Income	73,938.94	69,423.20	4,515.74	106.51%
Donations	100.00	0.00	100.00	100.0%
Facilities Income	926.38	1,983.00	-1,056.62	46.72%
Miscellaneous Income	0.00	0.00	0.00	0.0%
Recreation Fees	4,288.16	1,795.00	2,493.16	238.9%
Utilities Income	0.00	0.00	0.00	0.0%
Utility Reserve Income	0.00	0.00	0.00	0.0%
Total Income	89,329.88	74,056.20	15,273.68	120.62%

Expense				
Administration Expenses	41,745.11	43,268.75	-1,523.64	96.48%
Architectural Control Expenses	0.00	1,830.00	-1,830.00	0.0%
Facilities Expenses	10,328.78	6,198.00	4,130.78	166.65%
Golf	10,195.85	13,288.00	-3,092.15	76.73%
Green Expenses	14,588.32	21,884.00	-7,295.68	66.66%
			-	
Utilities Expenses	7,325.00	31,095.00	23,770.00	23.56%
			-	
Total Expense	<u>84,183.06</u>	<u>117,563.75</u>	<u>33,380.69</u>	<u>71.61%</u>
Net Ordinary Income	5,146.82	-43,507.55	48,654.37	-11.83%
Other Income/Expense				
Other Expense				
Other Income/Expense	<u>20,919.55</u>	<u>20,291.00</u>	<u>628.55</u>	<u>103.1%</u>
Total Other Expense	<u>20,919.55</u>	<u>20,291.00</u>	<u>628.55</u>	<u>103.1%</u>
Net Other Income	<u>-20,919.55</u>	<u>-20,291.00</u>	<u>-628.55</u>	<u>103.1%</u>
Net Income	<u><u>-15,772.73</u></u>	<u><u>-63,798.55</u></u>	<u><u>48,025.82</u></u>	<u><u>24.72%</u></u>

## DRAFT CASH RECONCILIATION & RESTRICTED FUND BALANCES

### ***Reconciliation of Cash as of 10-31-07***

Net Income (loss) from Operations less depreciation	5,147
Other Income/Expense	0
Net change in Current Assets / Current Liabilities	53,596
Net Proceeds from Assets Sold	2,800
Debt service-principal payments	0
Capital expenditures	(120,681)
Net increase (decrease) in cash	\$ (59,138)
Beginning cash 09-30-07	1,072,523
<b>Ending Cash on 10-31-07</b>	<b>\$ 1,013,385</b>

### **Restricted Fund Balance as of 10-31-07:**

**Restricted Water Fund: \$85,451**

**Designated Funds: \$168,290**

Neighborhood Directory	\$1,132
T-Box Program	\$3,486
Cedar Creek Park	\$386
Building Deposits	\$139,250
H & E Special Project	\$4,701
Memorial Fund	\$615
Member Guest Fund	\$17
FISC II Fund	\$6,130
Snack Shack Fund	\$1,641
Youth Committee	\$709
Beautification Restricted Fund	\$262
Cook Shack Round Up	\$35
Inspection Fees for New Construction	\$8,200

Golf Course Irrigation:	\$ 33,617
Pollock Award Fund:	\$ 1,036
Equipment Reserve	\$234,864
Tennis Court Reserve:	<u>\$ 12,152</u>
Total Restricted Funds:	<u>\$535,410</u>
Total Operating/Unrestricted Funds:	\$477,975
Total Cash as of 10/31/07	\$1,013,385

**Old Business:**

- a. **Memorial/Monument Policy:** Director Ward explained the proposed Memorial Monument Policy is a work in progress stated that if anyone would like a draft copy of the policy the could contact him to receive one.
- b. **Update on Operations Manual, Policies and Procedures:** Director Brown had no update he was not present.
- c. **Request to permit well drilling at the test site on SVRA Common Property:** Director Angelovic stated that we have received a request from Weston Energy as a part of the Level 2 study where they propose drilling four test wells on the ranch. They are requesting that they be allowed to drill a test drill on SVRA Common Property. They gave us a copy of a access agreement stating would they need in the way of an easement. Directors were referred to item 11-19 in their packets. This motion had been tabled at the last meeting.

**Director Ward moved to take from the table the motion to permit well drilling on the SVRA Common Property. Director Jonson Seconded the motion. The motion was passed unanimously.**

**Director Petty moved to deny the request to permit well drilling at the test site on SVRA Common Property. Director Watt Seconded the motion. Discussion ensued.**

**Director Petty moved the previous question. Director Watt seconded the motion.** *(Ms. Backus explained to the Chairman that this motion is a motion to stop discussion therefore the motion requires a two-thirds vote in the affirmative to adopt. If the motion is adopted, all discussion must stop and the vote on the main motion is taken immediately.)*

**Directors Dietz, Petty and Watt voted in favor of the motion. Directors Ward and Jonson opposed the motion. The subsidiary motion was adopted.**

**Vote on main motion to deny request for drilling: Director Watt requested a roll call vote.**

**Director Brown: Absent  
Directors Dietz: Yes  
Director Jonson: No  
Director Petty: Yes  
Director Ward: No  
Director Watt: Yes  
Chairman Angelovic: No Vote**

**The motion was adopted.**

**New Business:**

- a. Amend Architectural Rules & Regulations, Checklist, Fine Schedule and Permit to reconcile with TSVR Ordinance 2007-06:** Elmer Beck reported that there are changes that would need to be made for the Association's policies to reconcile with the newly adopted TSVR Ordinances. Please refer to the attached copy and also refer to the Board of Directors Item #11-14.

**Director Petty moved to amend the Architectural Rules & Regulation, Checklist, Fine Schedule and Permit as recommended by the Architectural Control Committee to reconcile with The Town of Star Valley Ranch Ordinance 2007-06, said amendment to become effective January 1, 2008. Director Watt seconded the motion. The motion was unanimously adopted.**

**Director Ward moved amend the adopted agenda to show that the Town of Star Valley Ranch had requested to lease the second floor of the Silo. Director Jonson seconded the motion. The motion was unanimously adopted.**

**b. Lease of Association Facilities for Member Services:**

- i. Mountain Wellness Center:** Sharon Backus reported the Board received a proposal to rent the two front rooms in the Association Office Library for a wellness center. There will be three people who would be doing therapeutic massage, injury massages, assisted stretching and meridian energy work. They are offering a proposal including rent of \$300 per month for the two rooms.

**Director Petty moved to pursue the proposal to rent the two rooms in front of the library to Mountain Wellness Center. Director Dietz Seconded the motion. The motion was unanimously adopted.**

Chairman Angelovic stated that the second floor of the silo would not be available for lease because next year there is going to be a structural engineers study performed on this facility. We do not want to put any Association or Town money into the building when it may not even be fit to leave standing. We have received two requests to lease the second floor of the Silo.

- ii. **Core Concepts Pilates:** Sharon Backus reported the Board has received a proposal of interest to rent the second floor of the Silo to Caren Vogt of Core Concepts to operate a pilates studio.

Director Petty moved to direct the General Manager to notify Ms. Vogt that the Board will be hiring a Structural Engineer to survey the Silo facility and explain to Ms. Vogt that the Board is not in a position to rent the facility at this time, but that after the study is completed, the Board will entertain proposals for renting the space. Director Jonson seconded the motion. The motion was unanimously adopted.

iii. **Town of Star Valley Ranch:** Chairman Angelovic explained that the Board also received a request from the Town of Star Valley Ranch to remodel and then rent the second floor of the Silo facility.

Director Petty moved to direct the General Manager to notify Mayor Siddoway that the Board will be hiring a Structural Engineer to survey the Silo facility and explain to Mayor Siddoway that the Board is not in a position to rent the facility at this time but that after the study is completed, the Board will entertain proposals for renting the space. Director Dietz seconded the motion. The motion was unanimously adopted.

**Adjourn:**

Director Watt moved to adjourn the meeting. Director Ward seconded the motion. The motion was unanimously adopted. The meeting adjourned at 10:41 AM.

---

Joe Angelovic, Chairman

---

Larry Watt, Vice-Chairman

---

Carl Brown, Secretary-Treasurer

---

Kathy Dietz, Director

---

Jan Jonson, Director

---

Jack Petty, Director

---

Dave Ward, Director