

**Annual Meeting
June 27, 2009
The Barn**

In Attendance:

Curtis Cheshier Chairman
Ron Meeks Secretary-Treasurer
Jan Jonson Director
Kathy Dietz Director
Wendy Straight General Manager

Absent:

Carl Brown Vice Chairman
Paul Weber Director

The 2008 Annual Meeting was called to order at 8:00 am.

Invocation: Was given by Chairman Curtis Cheshier.

The Pledge of Allegiance was said by all present.
The VFW presented the Colors.
The SVR Singers performed patriotic songs.

Reading of the Official Notice: Chairman Cheshire read the following.

For clarification on the election and Annual Meeting procedures let me read the following from the Bylaws.

“Motions regarding new business will not be accepted from the floor. All motions and amendments with regards to new business must be submitted in writing to the Secretary of the Board of Directors ninety days prior to the meeting.”

“A quorum is a presence in person or by proxy of thirty percent of all members who are authorized to vote.”

“If the annual meeting is not held or if the Directors are not elected, the Directors may be elected at any special meeting of the Members held for that purpose. All Directors shall hold office until such time as successors can be elected. If any Director gives his resignation to the Board of Directors, the Board may appoint a successor to take office at such time that the resignation becomes effective.”

**Reading of the Minutes of the June 28, 2008 Annual Meeting and
Approval of the same:**

Mrs. Beck Moved the reading of the minutes be waived and approve them as written. Director Jonson seconded the motion.
The motion carries unanimously.

Statement of Quorum: The following report was given by Election Committee chairman Al Redlin.

This year for a Quorum we need 555. As of 8:00 we are approaching 700, so it has been a great turnout. I want to thank the Election Committee and all of the Volunteers who have helped to make this year's election a success. We have a great group of volunteers around here and I feel the Board of Directors is probably the greatest group of volunteers and I feel we owe them our support. I feel we need to support all of the committee's as well. I kind of consider the Coalition a committee, they are a group of people who put in the time and the effort trying to achieve something and we need to listen to them with respect. The Board needs to support the Committees as well so that we nurture them and support their efforts.

Reports of Standing Committees:

Architectural Committee: The following report was given by Elmer Beck.

It's been a little bit slower this year than last. At this time last year we had a total of 8 new starts, and this year our total is 2 new starts. Last year we had 951 homes that were under construction or completed. This year that total is 953. The Architectural Committee has been busy; there have been numerous garages, decks, extension, even started including some fences. I would like to thank the Committee that works diligently with us. They are Joe Angelovic, Jim Arendts, Carl Brown, Bob Lavery, Al Redlin, and Bill Wallace Thank you very much.

Golf Committee: The following report was given by Director Dietz.

The past four years that I have served as Golf Chair have seen a number of changes in our golf operation. We no longer contract our golf operation. Previously for a set contracted fee, a golf pro ran the golf shop, hired and managed the golf staff. The golf professional is now an employee of the Ranch and he manages staff and the pro shop. Our pro, now with us a year, is Randy King, formerly of Teton Pines. This set up it is hoped will be financially beneficial to SVRA.

Last year's revenues ran behind budget; some of that can be attributed to the bad weather in May and early June. But revenues were strong the rest of the season. The pro shop was redone and has been doing a brisk business. This year again, we are off to a rainy beginning. Any breaks in the weather and people have been out there golfing. Looking forward, we feel the improvements in the course, the moderate rates, and the off-ranch advertising will increase play and our revenues. This last year, as a result of the economic down turn, has been tough on many courses, resulting in bankruptcies and closings. Our revenues here at SVRA may be off, but we are still in

an enviable position. We have no debt, we do not pay for water, an increasingly expensive commodity, and we have a great staff. We will weather the storm. Looking forward we feel the improvements to the course, the moderate rates, and the off-ranch advertising will further increase our revenue flow.

The Golf Committee met a few weeks ago and we did a recap of progress the last four years. Major accomplishments we have worked on include the signage to the course, signage on the course, development of a policies and procedures booklet concerning golf matters, the ladies tee boxes, lowered rates on Aspen which dramatically increased play and revenues, We have supported the local high school, hosting a number of high school tournaments as well as the annual cross country race. In 2005 the rock denoting the course as the home of the SVHS golf team was placed by the first tee. Special thanks to Barry Kendall for his liaison work. This we feel has enhanced our image in the valley.

In the past few years we have recognized the changing demographics on the ranch and developed programs and special fees for families and young people and this year we recognized the senior citizens and recommended a 10% discount for those 70+. We now have a pass deferment policy.

We have courted outside play using advertising locally and in Jackson.

We have seen the loan on the Cedar Creek irrigation project paid off. Thanks go to all members who donated. The golf committee sponsored a raffle for a season pass one year with monies also going to that project. Money from each round of play was contributed to this debt.

Our committee member Liz Beck has coordinated the yearly calendar.

We helped bring the ReMax long drive contest to Star Valley

And, in the past four years, we have almost doubled our revenues.

In closing, I would like to thank all those who worked on the Golf Committee and ad hoc committees for golf over the past four years as well as the Professional and his great staff.

They include: Gayle and Larry Brice, Roger Jeffs, Bob Manning, Lois Jantz, Gib Oswald, Myrna Archibald, Bonnie Johnson, Carol Shakleford, Bob Lujan, Liz Beck, Duane Johnston, Barry Kendall, Sharon and Jesse Craig, Larry Smith, Jean Madsen, Gary Braun, Dirk Izatt, Ken McNeil.

You are to be commended.

This is my last meeting in an official capacity and I want to say the regardless of the road being a bit rocky at times, I have enjoyed serving you. I have tried to see both sides, be responsive to inquiries, to keep myself informed on issues and attend all

meetings, and above all, I hope I have contributed to making SVR a better place to live. And thanks for all of your support.

Greens Committee: The following report was given by Director Jonson.

Thank you to all the members who serve on the Greens Committee. Most of them spend more time volunteering than golfing. I would like to thank Gayland Archibald for co-chairing this committee for the past year. I also want to thank the wonderful volunteers from the Beautification Committee who spend hours weeding and planting to enhance the beauty of Star Valley Ranch.

Last July the Men's Golf Association replaced the bridge on #4 at Cedar Creek. A member donated the lumber and the Men's club provided the labor. Thanks to the 19 volunteers from the Men's group who used their own vehicles and trailers to apply road base to all the cart paths last summer. For the past several years the Men's Golf Assoc. has organized a work day to remove Dyers Woad. Last year they dug up 770 pounds of this noxious weed and donated the proceeds to the Youth Committee. Their efforts are paying off; this year they removed approximately 350 pounds.

Our new Green's Superintendent Kurt Richmond was hired in February. He immediately went to work cleaning and reorganizing the maintenance shop and surrounding areas. As soon as the snow melted he and his staff were on the courses pruning, removing dead wood, mowing, top dressing the greens, doing all the things required before a new season begins. Both courses look great, now if we can just get Mother Nature to cooperate!

It has been an honor to serve on this committee; I am impressed by the dedication of its members.

DCC&R Revision Committee: The following report was given by Joe Angelovic.

Last June the Board of Directors approved and charged the DCC&R Revisions Committee with the following mission: The purpose of the DCC&R Revisions Committee is to develop a plan for determining what changes in the DCC&Rs can receive 70% of the member's approval by Jan. 1, 2012, and then to develop a system for approval: creating the document, distributing it prior to July 1, 2011, recording results and reporting to the Board and the membership. This is a huge undertaking and we owe a debt of gratitude to Don Baille, Kathy Daulton, Larry Olsen, Gene Root, Carolyn Thacker and George Toolson, members of the committee who volunteered and are working diligently on this difficult task.

The first goal of the committee was to get input from the community. From May through October of 2008, open committee meetings were held twice a month. The first half of each meeting was used for the committee's organization and planning. The second half

was designed to elicit input from members concerning the DCC&Rs. Notes from all meetings were published using the Association's email and website. Members also were encouraged to participate by submitting comments through email on the Association's website. In August, the committee used the input from these meetings to develop a DCC&R Revisions Preliminary Survey that was mailed to each member of the SVRA community in September. We did not mail out questionnaires to each lot. The committee decided that because this was an "opinion" survey we didn't want the results to be skewed towards the opinions of members with multiple lots so, as best we could, we attempted to send a single survey form to each owner. The survey questionnaire noted sections of the DCC&Rs that had been recommended for change and listed options that had been suggested. We had a 36% response from the members which is an amazing return on a survey. The committee is grateful for the interest shown by the membership.

We can report that some items had a high consensus for change. Within these items however, there is a range of opinion as to what the revisions should be. Even some items on which there was no consensus remain important because comments indicate confusion about the DCC&R's meaning. The committee is working with the Board and the Architectural Committee to clarify these issues.

The committee also met twice with the SVRA lawyer to get answers to questions brought forward by members during our meetings, and also to begin to clarify the procedures for voting on possible DCC&R changes. Member questions largely concerned whether the DCC&Rs continued to take precedence now that a Town government has been formed and Town ordinances are being written. Remarks from the lawyer plus references from a variety of documents were published in the 2009 Annual Newsletter, pp. 14-15.

The committee's current focus is to analyze the survey data, interpret them in light of the many written and oral comments that have been received and draft discussion papers that include survey results, comments and explain the pros and cons of each option. Some of the topics these papers address are:

- A uniform set of DCC&Rs
- Length of time before the DCC&Rs can be changed
- Percent of members needed to change DCC&Rs
- Visibility of recreational equipment
- Allowable size of vans/trucks
- Size of garages
- Size of auxiliary buildings
- Home-based business
- Fences

These discussion papers will be incorporated into an educational packet that will be sent to all members in the fall along with another more tightly focused survey. Because our present task is to complete these papers in a timely fashion, for the present, most DCC&R Revision Committee meetings will be work sessions instead of informative

meetings. All meetings will be announced and open to interested parties, however, so that the committee can accomplish their tasks, the work sessions will not be interactive with the audience. At the conclusion of the committee's discussions, if time remains, comments from the audience will be entertained.

We would like to end this report with the reminder that the major obstacle facing any revision of the DCC&Rs remains the requisite 70% written approval of any changes. For the committee to get a realistic idea of what proposed changes might pass this benchmark we need input from all the members. So please, when the next survey arrives, give it your careful consideration and respond. It would be futile to suggest changes that don't have the potential to reach the 70% approval because, and please note this carefully, the final document has to be approved in its' entirety. If even one suggested change in the final version is not acceptable to 70% of the Association membership, the present DCC&Rs will remain in place for another 20 years

Legal & Finance Committee: The following report was split, the Legal report was given by Chairman Cheshier & the Finance report was given by Secretary/Treasurer Meeks.

Legal Report:

The Board has called upon the Attorney several times for clarification on several matters. For the most part we currently have nothing facing us from a legal position.

Finance Report:

I would to start out by saying that Gene Root worked very hard with the office to eliminate designated accounts, clean up our balance sheet and clean up our books which resulted in a \$400,000.00 in excess which we created a Capitol Budget and an emergency fund with. We do not have our 2008 audit back yet, but we do have a letter from Rudd and Company who is our auditing company that I would like to read to everyone.

June 25, 2009

To the Board of Directors and Administrative Starr of Star Valley Ranch Association:

We are writing to update you on the status of the 2008 audit of the Star Valley Ranch Association (SVRA).

In addition we want to present some of our concerns that have arisen during the audit field work, observations we have made, and some recommendations to remedy these issues.

First, there are a few items that we are still missing to complete the audit. We are working with Wendy and Joyce to gather the information listed below:

- Signed engagement letter.
- Four invoices sent to Wendy via email on June 24, 2009.
- Backup documentation for Golf Inventory, or signed memo stating the justification for the even \$50,000. However, we do have a schedule that was provided to us by Gene Root that indicates the Golf Inventory as of October 28, 2008 being \$48,827.32. If this is the same balance as of December 31, 2008, please adjust accordingly.
- Back up documentation for the Lounge Inventory as of December 31, 2008.
- Account number 1018, Edward Jones Cisco Stock, needs to be adjusted to Fair Market Value as of December 31, 2008. The offsetting entry to this adjustment would be to an other income or expense account called Unrealized Gain/Loss on Investments.
- Per discussion with Gene Root, account number 1016-12, Future Construction Fund, should be Zero at year end because all construction was completed as of December 31, 2008.
- Per discussion with Gene Root, there are several Designated Fund accounts that should also be zero as of December 31, 2008. We feel that it would be appropriate to eliminate these accounts; however it needs to be under the Board's direction because due to strict audit guidelines we are unable to make this decision on which accounts should or should not be eliminated.

During our audit work, we found several control areas that were deficient or lacking. We do not feel that this is attributed to the current management. However, while performing our field work, we communicated with management several suggestions to strengthen controls. One other suggestion that we would make is to put into place a detailed Policies and Procedures Manual. This manual needs to be readily available to all staff so they can refer to it frequently to learn and improve their duties and responsibilities at each respective staff position. The Board and Management should review this manual at least annually to update and revise as needed.

Also during our field work, it was brought to our attention that there is some disagreement as to whether the Association should be reporting on the Cash Basis of accounting or the Accrual Basis of accounting. Although both methods are acceptable forms of accounting, our recommendation would be to stay with the Accrual Method for the following reasons:

- Consistent with prior years.
- Gives a more accurate picture of where the Association is financially at any given time.
- Is consistent with tax reporting.

We have enjoyed working with the staff at Star Valley Ranch Association. We hope to get these final areas completed as soon as possible and issue our audit report in a timely manner.

Sincerely,

Rudd & Co.

Tim N. Anderson

House & Entertainment: No report given.

Utilities: Chairman Cheshier gave the following report.

As most of you know last year we were able to remove 4 underground fuel tanks. When we did that we were able to get them off of our books because there is a fee when you have underground fuel tanks. The Town of Star Valley Ranch has come to us with a request to purchase the Green Canyon water tank. They have presented us with a lengthy report prepared by Engineer Eric Boyd that points out to us the benefits of making this transfer. We as a Board felt it would be in the best interest of the Association to obtain our own engineer to help us fully understand all of our options. We are awaiting results of that survey. We expect to have an answer in plenty of time to keep with the Town's time schedule.

Awards Presentation

Board of Directors Award: Was presented by Chairman Cheshier.

It's my privilege to present Ms. Dietz with a gift certificate as an award for appreciation of service. As most of you know Kathy served one that came vacant and then she served three years after that. I make it a strong effort on my part to say things that the truth as well as it has been presented to me at least. I can truly say it's been a pleasure to work with Kathy. I appreciated serving with you and I appreciate the service you have given the Board. I know everyone joins me in saying thank you for volunteering for the job.

Kathy Dietz: "Thank you very much! I have found this Board to be a pleasure to work with and I do think we have cooperated and accomplished a lot. I thought I would be completely happy to leave this job but I think I will miss some of it. Again thank you for your support".

The Robert Pollock Award: Was presented by Chairman Cheshier.

The Robert Pollock Award is given each year in recognition of outstanding friendship and service to the ranch. This year's award goes to Diane Jones; Diane has been so instrumental in the House & Entertainment Committee and many other social events. It is a pleasure to award this to Diane.

Diane Jones: "I think we need volunteers and lots of them. We have lots of fun at the meetings, it's not like any other meeting you have been too and there is a lot of laughter and camaraderie".

The Good Neighbor Award: Was presented by Kathy Dietz.

Our good neighbor award this year is presented to Shauna Crittenden. She had a wonderful smile and is always so pleasant to everyone. Her work for the ranch is mostly behind the scenes. She is the Co Chair of the House & Entertainment Committee, she participates and helps people when she can, she decorates for the golf committee events, she coordinates fashion shows, she works on the Steak Fry, and the 4th of July events. She enjoys taking on all of these projects and serves with a smile.

The Beautification Award: Was presented by Chairman Cheshier.

This year's Beautification Award is presented to Jan Thomas, Thank you for all of your hard work on the flower beds.

Jan Thomas: "I accept this award, which should be presented to all of the people especially Judy Sylvain who is the driving force behind the Beautification committee, along with Jan Parrott, Marilyn Haskell and everyone else who comes out. We need more volunteers, come out and enjoy the summers we have a lot of fun".

The Employee of the Year Award: Was presented by General Manager Straight.

The Employee of the Year Award is presented to Korry Wheeler. When I first started looking to buy a house on the Ranch Korry spent time with me talking about why people would want to buy here. Korry has worked on the Ranch for 14 years; he started out as the cart boy and worked his way to the Assistant to the Golf Pro. He also runs the Aspen Hill pro shop.

Korry Wheeler: "As part of my job I work with the Men's after work league, the junior golf league, assisting with lessons and clinics. At the pro shops we are trying to make this golf course an experience that everyone can enjoy, and run it in a way that is financially responsible too".

Introduction of the Candidate for the Board of Directors:

Secretary/Treasurer Meeks introduced the Candidates.

It is my honor to introduce all of the candidates for this year. First of all I would like to say they have some big shoes to fill with Kathy and Carl and all of their hard work and dedication.

The Candidates for Board of Directors are as follows

Gayland Archibald 1 year term

Gary Braun 3 year term

Carl Brown 3 year term

Marilyn Dawe 3 year term

Jere Kovach 3 year term

Jake Matijczyk 3 year term

Call for nominations from the floor:

There are no nominations from the floor.

Announcements:

Chairman Cheshier reminded everyone that the poles close ½ hour after the meeting adjourns.

Election results will be posted in the Barn and also the SVRA office. For those candidates that are elected there will be an organizational meeting this afternoon 4:30 in the Library.

Tonight is the Steak fry dinner with seating's at 6:00 pm & 7:00 pm, with dancing to follow and tickets are still available for that.

JC Colley will have a booth set up tonight at the dinner asking for volunteers for the Gaudy Maude Festival, please help out any way you can.

Adjournment:

Director Jonson moved to adjourn the meeting.

Secretary/Treasurer Meeks seconded the motion.

The motion carries unanimously.

The meeting adjourned at 9:00 am.