

Star Valley Ranch Association
Board of Directors Meeting
July 19, 2014
9:00 a.m.
Town Hall

Bob Horton: Chairman
Mike Wardle: Vice Chairman
Ann Earl: Secretary/Treasurer
Dennis Christianson: Director
Ron Denney: Director
George Toolson: Director
Bob Meikle: Director

Call to order:

Chairman Horton called the meeting to order at 9:00 a.m., stated that there was a quorum and called for the Pledge of Allegiance.

Chairman Horton recognized special guests Mayor Boyd Siddoway and Councilman Ed Koch.

1. **Adopt Agenda:*** Chairman Horton called for a motion to adopt the agenda as written:
 - Director Toolson made a motion to adopt the agenda.
Director Meikle seconded the motion.
Motion passed unanimously.
2. **Approval of Minutes for May 2014 Board Meeting:*** Chairman Horton called for a motion to approve the May 2014 minutes:
 - Director Toolson made a motion to approve the May 2014 meeting minutes as written.
Director Christianson seconded the motion.
Motion passed unanimously.

3. Standing & Special Committee Reports:

A. Chairman's Report – Chairman Horton gave the following report:

We are sorry to report the recent death of Gary Higham, a well-respected and valued employee of the Association. Gary passed away on the morning of July 4th in an ATV accident, and he will be greatly missed. There will be an open house at the Barn on the evening of Saturday, July 26th, and the Men and Women's Golf Association will lead a collection for the family. At this time I would like to have a moment of silence in memory of Gary.

We as a Board are going to work collectively on the many challenges that the Board will face in the time to come. Some of these challenges include: issues dealing with the DCC&R's, the By-laws, member facilities, and the budget. These challenges will have both short and long-term effects on the Association. The Board of Directors cannot work alone to accomplish all of the challenges set before us. Volunteers are needed to help with various required committee positions so that the Association can function as it was designed:

The Architectural Committee needs a minimum of 3 members, and each standing committee needs a minimum of 5 members, so if no member serves on more than one committee 23 members are needed.

I'm not sure if you are all aware of the standing committees and what they are responsible for, so I will go over what they are and what they do:

Finance and Legal: According to the By-laws, they are responsible for the annual operating and capital budgets, determination of fees and assessments, definition of members and guests privileges, and all related legal, taxes, insurance, zoning, and organizational matters affecting the Association.

House and Entertainment: They are responsible for the operation of all lodge and recreational activities except for the golf activity, the bar, and the restaurant.

Utilities (Needs a little updating since we have become a town): Right now the By-laws say that the Utilities Committee is responsible for: roads and streets, water systems, power, telephone, the airstrip, architecture control, property use restrictions, security, police, fire protection, traffic and speed regulations, trash collection, and all related services, This includes the planning, construction, maintenance, alteration, or replacement of Association facilities, properties, and equipment in cooperation with the other affected committees.

Golf and Greens: They are responsible for the care and maintenance of the golf courses and grounds and all manners pertaining to the play of golf including: playing rules, tournaments, golf pro, pro shops, and golf carts. This committee should also include the president and vice president of the men's and ladies' golf associations.

The requirements for these committees are stated in the DCC&R's and the By-Laws of the Association. I encourage all members who are interested in sitting on a committee to sign up with the appropriate chairman or there are sign-up sheets on the back table.

We are going to start working on a secure section of our website. The writing of the requirements of this secure website is the first phase of what we need to do, if anyone is interested in being a part of that effort please contact me.

The following committee reports will discuss some of the challenges this Association will be facing. Working together is the only way everyone in this Association will benefit.

B. Finance and Legal Report – Director Meikle gave the following report:

Before I read the Finance and Legal report I am going to present the following motion, this is not of any surprise to the Board members here because we have all discussed this in a workshop that was held at an earlier date. The motion deals with an operating policy that we have received legal advice about and it was advised that we should change the policy. The reason it is important to get this out early in the meeting is because it affects all of the committee assignments.

- Bob Meikle made a motion that the Operating Policy titled "Board Member Service on Town Committees" #1.2.1 dated 3/15/07 be cancelled. If there is future conflict of interest, then those issues will be governed by section 17.19.831 of the Wyoming statute governing corporations and partnerships.

Dennis Christianson seconded the motion.

Discussion: Director Meikle: The current Operating Policy states: Pursuant to article 8 section 1B of the Star Valley Ranch By-Laws and in the interest of avoiding any potential conflict of interest, no Board member will be allowed to serve on any town committees and the reciprocal applies, no councilmember is allowed to serve on any Star Valley Ranch Association committee. This Operating Policy was made in 2007, and has pretty much been ignored. For 7 years we have had people serving on town committees and serving on the Homeowners Board. The attorney doesn't think that this policy will even be upheld in court. He is suggesting that we replace this Operating Policy with this document which is Wyoming statute.

Kathy Dietz: Are you just talking about committees, or are you talking about offices?

Director Meikle: We are talking about any Board of Director or any committee member not being barred from serving an Association position or a Town position. We want to adopt Wyoming statute rather than our own Operating Policy. The motion is to cancel our existing Operating Policy that was put into place in 2007 and replace it with Wyoming statute.

Gary Braun: Then it would seem possible that the Mayor of the Town could also be the Chairman of the Association. I don't think that is solid, I don't think that is wise.

Director Meikle: That is answered in the Wyoming statute.

Gary Braun: I think the motion was to do away with the 2007 policy and that makes sense but I just think that we might need to put a little bit of control on it. I think the Mayor is great and so is the Chairman but I'm not sure it should be one and the same.

Director Meikle: The Wyoming statute allows us to address that. The Wyoming statute says that once it is determined that there is a conflict of interest then this Board can still

address the issue. The problem with this Operating Policy is that for instance, a former mayor or town councilman, they need to be able to serve on a committee, if we have someone that is on the P&Z Board for the town, are they eliminated from serving on a homeowner's association committee. According to this document, they are eliminated from serving, which is why we need to eliminate this document.

Ron Thacker: I have a question on the point of order. The Board approved an agenda and passed it, and there is nothing in the agenda that talks about a motion before the Board. This is brand new. It is not listed on the agenda, so I am wondering if your motion is even appropriate at this point. My understanding is that is what the agenda is about, subjects called for resolutions. There is nothing here about your resolution on this agenda that was approved by the Board. This isn't on the agenda, why are we discussing it?

Director Denney: In our workshop we discussed this with the lawyer but I was under the impression that we are going to go back and revise the policy to incorporate the lawyer's recommendations. I didn't think we were going to have a motion today. I wanted to see a completely revised policy that everyone can read and understand including your comments about conflicts of interest and how we solve those problems, but I am not ready to pass a motion right now.

Kathy Dietz: When I was on the Board, anytime there was a motion that was going to be brought forward, the Board decided what they were going to vote on. It was placed on the agenda, and it was sent out so that people that were interested in that motion could attend the meeting and speak to those points in the discussion time.

Chairman Horton: We've had a motion, we've had a second, and we are in discussion. There is a process for an amended motion to table it.

Ed Koch: Point of order on that, I'm not sure that you can table an illegal or inappropriate motion, it should be withdrawn.

Chairman Horton: Correct me if I'm wrong, but since we have a motion on the table, we still have to vote on this motion?

Mayor Siddoway: If the person that made the motion withdraws it, the second withdraws it, the motion is dead.

- Director Meikle withdrew the motion.
Director Christianson withdrew the second.

Bob Meikle: The reason that I thought the motion is important is because there are a lot of people here and we need 23 people to begin to think about filling those 23 positions. Since the election, the Board has held 2 lengthy workshops where we continue to make our Finance and Legal Committee, which is required to be at least 3 members, a main focus.

We want to compress as much work as possible into the summer months while there are a lot of people here because this is hard work to do when everyone leaves for autumn. We are defining all important legal issues, reviewing current lawsuits, listing all contracts, and reviewing a 4 page letter from an attorney that specializes in Homeowner's Association issues, which will focus on the enforcement of our covenants, conditions, and restrictions once a decision from the Supreme Court is known.

Our Board of Directors is committed to preparing a detailed document which we intend to mail to every lot owner to explain both policies and procedures we will use to enforce covenants, conditions, and restrictions. We have had excessive discussions over the last 2 workshops and we have pretty much come to an agreement that we need to pull into one document something that is comprehensive, and can be understood. We know that it needs more work because we have it in legalese and now we are going to make an attempt to put it in layman's terms. Our General Manager, our Board, and our Finance and Legal Committee of at least 5 people will contribute to this document; we have made huge progress towards this goal since the election of 3 new Board Members in June. We will be writing a charter for the Legal and Finance Committee so that each committee member will have a clear understanding of the authority and goals of the Legal and Finance Committee. We will also be selecting persons who will volunteer to serve based on their qualifications and we need as many full time

residents as possible to fill these committee assignments. This is one committee that is very difficult to operate through just emails, faxes and telephone calls because it does a lot of its preparation of the year end budget through September, October, and November to complete one year's financial information and be working on budgets for 2015. We have had meetings with Mr. Sessions, and he has been particularly helpful in preparing documentation, putting it on a hard drive so that each of us Board members can take it home, put it on our computer and study it so that we are ready for the next workshop. We will be holding our regular workshops and we may be calling special workshops as well over the next few months. The dates of the workshops have not been set yet but we will keep you posted on the website if you are interested in volunteering for any of these positions. We highly encourage you to attend some of these early workshops over the next couple of months because that is where the foundational information will be presented and is going to bring everyone up to speed and hopefully get everyone on the same page.

Kathy Dietz: I have a question, in your description of who you wish to have to serve on this committee. It sounds to me as though you are prioritizing or maybe even excluding people who are just lot owners, or who are not here the whole year. Or are you talking about Wyoming residents? I think we all pay exactly the same amount in Association dues and I think we should all have the opportunity to serve on any committee without where we are at the moment being an exclusionary item. So I would just like to have that clarified a little.

Director Meikle: What we are trying to say is don't volunteer to be on one of these committees unless you are here to do the work. Just understand that the workload is going to happen at all times of the year. We do not have the technology yet in place to do a lot of teleconferencing to make our committees work. So if you are going to leave in October, it will be difficult to only work over the phone. We need to have a core of people on our committees that are not doing it by telephone, that doesn't exclude somebody from doing it by telephone. We aren't going to exclude anybody.

Kathy Dietz: We have the telephone technology that the Board uses, we have Skype, we have faxes, and we have all of these other resources. There are many ways that we can interface. I think that we have to have an across the board representation on this committee without doing a residency or you have to be here to be passed a piece of paper.

Director Meikle: I'm suggesting that you be here because a lot of the workshops run 2-3 hours and they are hands on workshops. They aren't just hour long Board meetings like we are conducting here, which are easy to do. They are detailed financial information and detailed legal information that we are going to be getting into. I'm speaking not on behalf of all the committees; I'm just talking about Finance and Legal.

Kathy Dietz: When I was on the Board there were times that I was on the phone for 6 hours doing meetings, and doing interviews, and I just think that even though you are explaining the reasons why, I think that this still is exclusionary.

Chairman Horton: You are right; anybody that is a member in good standing has a right to be on one of these committees. The only restriction in the By-Laws is a minimum of 5 and being in good standing. So if you want to sign up back there on the sheet please feel more than welcome to sign up.

Ron Thacker: These committees have been standing committees for a long time served on by several members. Is there any carry-over? The implication is that you are wiping out the committees and starting new.

Chairman Horton: No, we have had trouble meeting that five on some of these committees. Especially the Architectural Committee, which has been a very hard committee to get people to fill.

Ron Thacker: I understand but for instance, for Legal and Finance, I'm assuming there are still members of the committee that stood next year, are you firing them, or what's going on here?

Chairman Horton: We are giving members the opportunity to be on committees that want to be on them; we are not firing anyone. The members that are on the committees now are still there. We are just opening the door and letting people know that these committees are here and you have the opportunity to be on them. We are not restricting anything here.

Ron Thacker: Do you have any counts on how many vacancies on each committee you have?

Chairman Horton: No I do not; I do know there is no one on the Architectural Committee at this time.

Director Wardle: I just want to say that House and Entertainment can use anybody that wants to sign up.

Chairman Horton: I'm reading right from the By-Laws. Section 12: Standing Committees: Each committee shall consist of 5 or more members in good standing with the Association. Those are the only restrictions that I have seen. A minimum of five and those five must be in good standing. So what we want to do is give everyone the opportunity to be on any committee. If we get 20-30 people on each committee I think that is great. It shows involvement and we want that involvement. This is your Association. It needs to be run and governed the way you want it to be. This Board cannot do everything, which is why the committees are there. So we want you to know the committees are there. We want you to know the responsibilities of the committee as per the By-Laws and give you the opportunity as members of the Association to be on those committees and to be a part of this. That is what we are doing now is making people aware. There are people that are aware and I'm assuming there are people that are unaware of these committees and their responsibilities.

John Blakely: I think you know as well as anybody up there about the technology that is moving forward. I agree with this young lady that spoke up about people being out of the country or out of the state or snowbirds, but my wife conducts meetings all the time with up to 50 people and it's strictly by phone. If the Association needs to get that technology that is going to be one of the only ways to get people active and involved. If you have any rule that says you have to be here 12 months a year then I'm not going to commit on anything because I have no intentions of being here 12 months a year and I legally stay here 12 months a year but that would mean travel or anything.

Chairman Horton: What I am saying is that it is open. The only restrictions are a member in good standing and at least 5 members. What we will do is work on the technology issues. You are right, I do use Skype and other things, and we have FaceTime which we can use.

John Blakely: To give Mike credit, I have seen him be the only person up there when everybody else was out of town and I felt sorry for Mike because there were some issues dealing with the building and stuff. Still, it was conducted professionally and with diplomacy intact. I heard George on the phone, and I heard Ann on the phone, and I was still able to tell what is going on.

Secretary Earl: We have done that in workshops too and it has worked just fine.

Mayor Siddoway: Just listening back here and the experience I have had as the Mayor with in town and out of town people; it has nothing to do with your physical location, it has to do with your mental location. We have a lot of people who sign up for committees to get their name on a plaque. There are people who could care less about a plaque and want to help the Association, so when you sign up, sign up to work because there are a lot of people that when they pull out that front gate, they have no idea what happens until they pull back in that gate. If you are interested and you really want to work, and Kathy is an example, Al Redlin is a perfect example; he works harder when he is gone than when he is here. It would be really nice to have too many people on a committee whether it is the Town or the Association.

Ed Koch: Just to correct something that Mr. Meikle was indicating and that is that people need to be available when they are out of town, not just out of town they need to be available and ready to work.

C. Golf and Greens – George Toolson gave the following report:

The July Golf and Greens Committee meeting was held on July 19th with 11 volunteer members in attendance. Through the effort of this group and many other caring individuals, our golf conditions continue to improve. Work has begun on the redevelopment of the ladies #2 tee box at Cedar Creek, which will be located south and east of the current location and will still be on the east of the creek. By moving the tee we have gained enough yardages to make it a par 5 hole for the ladies and alleviate some problems with future tournaments; we hope to have the new tee box finished for the 2015 season. We are also in the process of getting excavation prices to redo the dry pond on #13 at Cedar Creek. Many of the opinions are to move the pond towards the west side and open up the right side of the fairway. For this future project we will try to incorporate the existing ditch as a source of filling the pond and sending it back downstream to alleviate any strains on our golf course irrigation systems. The water flow from Green Canyon is now slowing down and we are in the process of collecting and

distributing every drop of water we can get to maintain our 27 holes of golf; hopefully, we can maintain this effort without firing up our Cedar Creek well. The compliments continue for Kurt Richmond's golf crew, Ben Whalen's Pro Shop staff, Kirk Sessions and the administrative folks on the course conditions, customer service, and overall golfing experience we provide here at Star Valley Ranch. Also, over the last month a special thank you to Ron Denney, Chris Combe, and Rick Roundy for many volunteer hours spent on Cedar Creek Golf Course, setting new yardage markers, clearing brush, weeds, trees, and deadfall around the course. It looks great and will definitely help the speed of play. With the unfortunate and untimely death of one of our key golf course employees, Gary Higham, these additional volunteer hours really help the rest of the golf course staff continue to get the job done.

Upcoming tournaments for next month include the Member/Guest Tournament next week on July 25th & 26th, followed by the Teton Motors Scramble on August 9th, and the Ladies Invitational on Monday, August 11th. One of the tournaments fully endorsed by SVRA is the Star Valley Medical Center Tournament, which was held on June 13th. This is one of the biggest tournaments held annually at Cedar Creek. The many participants really enjoy themselves and I believe they have already scheduled a date for next year. In return, the Association really appreciates what the Medical Center does for the entire of Star Valley community. In the past we have given back part of the tournament funds as a donation towards improving the health and wellness of Star Valley residents.

- George Toolson made a motion to donate \$1,000 to the Star Valley Medical Center
Mike Wardle seconded the motion.
Motion passed unanimously.

Accepting the check for Star Valley Medical Center is Mr. Jim Fairchild.

Jim Fairchild: As George said the tournament had 23 foursomes and we have the same people every year because they really enjoy the golf course. The golf course was really in excellent shape when we played. The tournament nets about \$15,000 that goes to the hospital. It is \$500 for a foursome with breakfast, lunch, and a drawing where almost everyone wins something. A couple quick things about the Foundation Board at the hospital: last year we raised money for the equipment for the intensive care unit. This year, and you probably all saw in the newsletter, we are raising funds for the OBGYN unit. Amy Tomlinson, the Doctor, will start on Monday as the OBGYN specialist. She has done this for seven years in Colorado. Our OBGYN system will be much improved.

George Toolson: In conclusion, a fund has also been started for Gary Higham, to help his wife Bonnie through this difficult time. Donations would be appreciated and may be made at the Cedar Creek Pro Shop or at Duffer's.

D. House and Entertainment – Secretary Earl gave the following report:

I just wanted to say that the 17th Annual 4th of July celebration went off great. It was probably one of the best ones that I have been to, and I have been to a lot, it was great weather and everything went off wonderful. I have asked Kirk Sessions to give us a detailed report in his General Manager's report, so we will hear more from him. Other than that I just wanted to remind everyone we have a Wine and Wellness Workshop Tuesday at 4 o'clock at the Cookshack. There is only going to be one more after this one, there will be one in August and then Deb Adler is done for the year.

Karaoke is held Sundays at 5 o'clock at the Barn and I would like to see more of you out there. I heard that Elvis is coming tomorrow. Other than that it is all I have right now, and I'm going to help Mike get started with the H&E and I think together we can get a good committee together and get some fun things going.

E. Utilities – Director Denney gave the following report:

During the organizational meeting of the Board of Directors on June 28th, I was appointed as the Chairman of the Utilities committee. Since Architectural control is part of the responsibilities of this committee and we have a separate Architecture Committee, Dennis Christianson, who is the Chairman of Architectural Control, will also be a member of the Utilities Committee. Other members are George, since he was on it last year, Mike Blackman, and Chris Combe, but there is room for more. Chris is new to the Association, full time now, and he has already shown his volunteer readiness. If you have any interest you can go ahead and go back and sign up for that.

In the July 10th workshop, Bob asked the committee to complete an assessment of the Green Canyon water collection system. I took a trip up there last Saturday and took many pictures; the water collection system is in pretty poor shape. The Brog Line, which is what the Town used for water, has a section of very thin carbon steel, it's all rusted, there's all kinds of holes punched into it, and you can hear air being sucked in and see water coming out. There is another section of wrapped, corrugated steel pipe which has numerous repairs in it. It has some patches, and places where rocks and barrels have broken it. Lower down there is a section of wrapped carbon steel under the road and you can see people driving on this pipe, because it is exposed. The committee will continue to work on this assessment. On Tuesday, Kurt, Ernie Sainz from the Town who knows a lot about the system, George and I will go up again to learn more about operation details. Kurt was telling me he had to go up and turn a valve and I have no clue what he is talking about. I like to see a process diagram that shows the lines, what they are made of, and put numbers on the lines. We are going to continue to work on a process diagram and then also, complete an assessment and hopefully bid costs for how much it takes to replace and put it in our budget for future years as a capital improvement. One repair we have to do this summer is a section of line to get water to the fish pond. If you are interested in piping, sign up.

The Committee is working on a statement of work to get an analysis and design ready for the slope above the new storage shed. When we put it in there we cut away the slope and it doesn't pass the rules we have to have a 2 to 1 slope and get a drain analysis. We need funding for the analysis and after that we will come back for more money to do the fix. The budget has \$6,100 left in it from an item member center relocation and we discussed this Thursday and want to use that.

- Director Denney made a motion for the Board to authorize use of the remaining funding in the relocation budget, which is \$6,100 to contract with an engineering firm for the engineering analysis and design to remediate the slope above the new storage shed after receiving bids.

Director Toolson seconded the motion

Discussion - Gary Braun: Is the building unusable as of now with the slope?

Chairman Horton: Yes.

Motion passed unanimously.

The responsibility to this Committee as described in the By-laws need to be updated because they predate the incorporation of the Town, at the request of the Board Chair we will start working on a Utilities Charter, which will describe how the Utilities Committee functions. We will also develop a proposed revision of the By-laws which would incorporate the new charter.

The Committee, before the new Board, had started a plan to effectively utilize the 4 lots where the playground is situated. We have to get the playground equipment moved away from the golf course; there are situations where golf balls have come close to kids. If you are interested in how to redo those 4 lots, we need to get that together and come back to the Town. The first step is to get a plan everyone agrees with and then come back and ask for approval from the Town. Again, sign up if you are interested in how to redo that area.

The previous Board had initiated dialogue with the Town whereupon they would return the portion of Cedar Creek Drive that begins at Ridgecrest, goes up around the Barn, and ends where the wash station is. The Town would retain a utility easement. We have a draft of that agreement, we have reviewed it, and we are now getting ready to send it to the lawyer so he can draft it in proper legalese, and we can then give it to the Town.

The Association supported the July 11th, 2014 War on Weeds day, which the Natural Resources Board of the Town started, and we provided tents, tables, and chairs. Thank you to the people that helped. For your information, the Town's natural resource Board has contacted local Boy Scouts groups to go out and collect musk thistles around the town. We are going to pay a bounty of \$.50 a pound to collect musk thistle, so your support of the boy scouts will help rid the town of those weeds and be greatly appreciated. If you bought into the quilt raffle, that money is going to be used and the Lincoln County weed and pest is also kicking in money to match that. We have about \$2,000 to help the boy scouts, so it's a good fund raiser for them, and for the Town.

Ed Koch: \$1,000 from the Natural Resources Board, and \$1,000 from the Weed and Pest for a total of \$2,000 for the musk thistles and the black henbane.

Gary Braun: I'm thinking liability for the Town and the Association; if you get that stuff in your eyes it makes your eyes go crazy. That's the last thing we need is a bunch of boy scouts with stuff in their eyes.

Ed Koch: They have adult supervision and have done a training session.

Director Denney: The Association has agreed to support an August 23rd, 2014 Firewise day, which is also being organized by the Natural Resources Board of the Town. A Firewise assessment of the Town and also of the neighboring forest service land was done on June 30th, there were about 10-12 people that went out and canvased the whole Town looking for areas where we can improve the fire safety of the Town. They have all kinds of pictures of propane tanks encroached with weeds, and canopies over roads from trees. There are a lot of concerns that if there is a fire on some of these roads then the people that live up there won't be able to get out. That report is being developed and you will have a chance to see it in August or September. It will be in your water bill in August, but this is something we need to get behind and support. More information on the Firewise celebration will be in your bill, but we are thinking about setting up tents at the airstrip and having the celebration there, and we will have speeches, so come support that.

On the building maintenance, we did a mold inspection of the office and the library, and the results are satisfactory. There are no issues with mold. Kirk will talk more about building maintenance in his report.

Architectural Report – Director Christianson gave the following report.

We approved 3 garages. We have 1 dog permit in progress; it needs to be changed to a privacy fence but will still be approved. We have 1 deck in the approval stages.

I started working on a charter draft, but we need members on the committee so we can make a descent draft, and then we will have to start exploring the By-laws for the Architectural Committee.

F. General Manager's Report – General Manager Kirk Sessions gave the following report.

Account Statements: All bank accounts are reconciled for the months of May and June with no variances.

Assessments

2009 Assessment Status: 10 Lots (.5%) have not paid in full (1 foreclosure).

2010 Assessment Status: 15 Lots (.7%) have not paid in full.

2011 Assessment Status: 21 Lots (1%) have not paid in full.

2012 Assessment Status: 41 Lots (2%) have not paid in full.

2013 Assessment Status: 67 Lots (3.3%) have not paid in full.

2014 Assessment Status: 172 Lots (8.5%) have not paid in full. There are currently 6 foreclosures that we are aware of on the Ranch.

Business Activities: For the months of May-June, the allocations of Annual Assessment for the Barn/Silo Redevelopment were transferred from the Operations Checking account into the Restricted Capital account for the Barn/Silo Redevelopment as follows:

2012 - \$88.18 (2 lots X \$40.09 for each assessment paid)

2013 - \$80.00 (2 lots X \$40 for each assessment paid)

2014 - \$3,880.00 (97 lots X \$40 for each assessment paid)

Total = \$4048.18

These transfers bring the account balance to \$208,205.80 including accumulated interest.

An overview of SVRA Financials for 2014 finds the YTD June Gross Profit at slightly over budgeted level, reflecting an offset of June's bad weather for May's good weather for golf. Total Expense is 8.7% under budgeted level, resulting in year-to-date Net Ordinary Income prior to Depreciation at 13.3% better than budgeted level. The current cash assets (YTD June Balance Sheet) Total \$1,605,528.72, \$801,826 of which is set aside for the SVRA Member Center. The remaining cash assets consist of a \$200,000 Emergency Fund, Operating accounts, and 4th of July, Golf Course Equipment, and Tennis reserve accounts.

Facilities: 2014 has been a good year for swimming lessons with the addition of an additional instructor. We expect that approximately 170-175 children will have learned to swim or swim better by the end of summer when the season culminates with the Elementary School Swim and Read program! Ernie will be touching up the trim at the office over the next few weeks and we will be planning and constructing a new entryway cover for the Library prior to winter.

July 4th 2014: The 17th Annual 4th of July Celebration, by all observations, was again a booming success! This year approximately 250 pancake breakfasts and 400 hamburger or hotdog lunches were served! Our overall pie sales, both individual and whole pie auctions, were the equivalent of 185 slices of pie! Over 500 free snow cones were dispensed and more popcorn than we can track! An uncountable number of excited children took home approximately 3700 prizes, plus ribbons won in the races and awards won in the golf cart, bike and tricycle parade!! All of this and an opportunity to celebrate the birth of our nation and honor those that have served and are serving in our armed forces!! This important event at SVR is possible because the SVRA staff and approximately 100 volunteers gave up their time to make it possible! To each of these people I want to express my deepest appreciation and a heartfelt thank you!!

Due to ongoing health issues I have determined that it is time to plan for my retirement. In putting together a proactive succession plan for the Board, I have advised the Board that I will work through May of 2015, in order to facilitate a smooth, seamless transition for the Association, for the balance of this year and a solid foundation plan for next summer. This time frame allows for the transition of a new Board of Directors, the completion of the 2014 recreational season, budget preparation for 2015, year-end 2014 closing of financials (and audit completion), 2015 Assessments invoiced, completion of project and operational planning for the 2015 season and a solid time period late winter or early spring to spend with a replacement candidate to address orientation, training, and transition. This plan provides an orderly schedule for transition of General Managers while assuring that the business of the Association continues to get the focused attention and leadership necessary. This time frame also allows me to fulfill the commitment I made to the Board when I was hired, "to provide 5 consistent years of accurate, audited business financial records" to provide a sound model for forward analysis and planning.

4. Old Business:

Ron Thacker: Some of the delinquent assessments are getting a little ragged at the edges, and I'm wondering if the Board is considering selling off some of those lots with delinquent assessments at Sherriff sales. We have done this before, and it may be time again. I'm hearing 2009, 2008 delinquencies on dues and I understand that the Association has the authority to go through a legal process to sell the lots at a Sherriff's sale in order to collect the back assessments with interest and fees and a standard thing just like you go through on the delinquent property taxes. I believe the Association has done this in the past, and rather than drag this on and on about the delinquent assessments, which all of us that are paying assessments have to make up for. It may be time for the Board to get back into that and really make a consideration about a serious attempt to get the delinquent assessments cleared up.

General Manager Kirk Sessions: There has been some discussion at prior Board meetings about doing exactly that. In fact Tallia spent an entire day down in Kemmerer, but it's kind of a mixed bag, some of these we have no clue where the people are that own the lots. We have repossessed a couple of lots that we own from the past. Based upon the attorney's advice, I have had Tallia spend an entire day going through the archives of Lincoln County and for each and every property that owes greater than one year's assessment, we have identified to the degree we can, where they are at, whether they have a mortgage, who the mortgage company is, and the address and contact for the mortgage company. She is compiling a spreadsheet that we are trying to get together pretty quick and give it to the attorney so we can do exactly that. To find out how

much heat we can put on. Unfortunately, we have to go through the process before you can get to the steps of the court house.

Ron Thacker: I understand, and I appreciate your efforts, I wanted to bring it to the attention of the Board. We have some old raggedy stuff where people owe us some money, and we are making up the difference. For the Board to pay attention to this, move the process forward, and let people know we are serious.

Director Meikle: If we allow some of these lots to go 5 or 6 years without maintenance, then we are threatened by the fire threat from lack of maintenance. We lose any ability to go in and have them participate in the Firewise program. If lightning strikes on a lot that hasn't had any maintenance or water it puts us all at risk.

Gary Braun: There are a number of towns that once they find out who owns the land, they actually have ordinances that they give them a warning, and then the fire department goes and cleans it up or some outside agency and then they send them a bill. If you live next door to one of those it is a big deal. Not in terms of generating revenue but there may be other ways to think about the fire dangers that we face.

Ron Thacker: Because of the fire dangers, there may be some measures that you can take legally. If the property is presenting a danger to the community, then maybe there are other actions that can be taken.

Kathy Dietz: What do we mean by clean out lots, the lots around me, they have weeds but they also have beautiful flowers, are we advocating that we should just cut everything down.

Gary Braun: My thought is that if we have a home that obviously hasn't been lived in for years, and the weeds are up really high then we should clean some of that up.

Director Meikle: The Cazier's have a home next to theirs that is really haggard, and their home is really at risk.

Ed Koch: I don't believe the property can be seized but there are state agencies that can apply a tax lien against the property.

5. New Business:

Chairman Horton: I would like to put something out there for everyone to discuss: the possibility of changing the Board of Directors meeting from Saturday to a weekday. There have been some people that work during the week and on the weekends they have children and that time is very valuable to them. They would like to see if it is at all possible the Association would like to move that meeting to a weekday. Some suggestions that were made were that we consider the same week that the Town is having their meeting, so that way all the major meetings happen in one week. That way, if anybody wants to travel or do something they have a greater opportunity to spend time with their families instead of having meetings spread out throughout the month. I would like to put that out there and see what comments we get from the Board and the audience.

Gary Braun: Just one suggestion, as we are thinking about what day we are doing it, I think that we need to talk about where we hold it. This room today wasn't even big enough and it gets hot, our Barn is a lot of things, but at least at this time of day it is cool. In the summertime, my thought is that is our Barn until we do something with it and we might as well use it. In the wintertime this makes a lot of sense.

Director Horton: I'm sorry, it was my fault, I was going to use the projector to project some stuff and I went ahead and made that call. I was just trying to have the overhead so that people when we are talking about documents they could see those. I was just trying to make things better so they could see things.

Gary Braun: We are creatures of habit; I think whatever you agree to that's what we ought to do.

Director Meikle: I want to argue the other side of that. When we held the election in the Barn and we were trying to field questions, we didn't have a sound system to allow us to field questions. I was told that people couldn't hear what was going on. I think this is the largest attended meeting, I think this is where we should consistently be holding our Board of Directors meetings because it is more accessible. If we have a Board meeting on a Saturday morning and we also have a golf tournament there is not going to be enough parking there. I see it entirely the opposite. I have been coming to Town council meetings here for 2 years now and I love this venue. I think you can all hear me and I can hear all of your questions.

Gary Braun: We all have opinions and that is good. We need to figure out what the members want.

Marie Cazier: My comment on that is that I agree with Bob, if we do the meetings in the Barn I hardly hear anything that is going on because of the amount of people there. I participate in all of the meetings; I'm in favor of the Association and the Town. I think the Town and the Association should work together, because the

members that are on the Town Board are members of the Association. I think that it is important that we all work together. I appreciate all the people that came out to this meeting.

Director Horton: What do you think about changing it from a Saturday to a weekday?

Marie Cazier: I think it's a wonderful idea and will be better attended.

Gary Braun: I think you should try it once or twice. The problem is we have 6 months of some people here and then another 6 months of maybe 3 people here. It is a seasonal thing. Maybe you try it once and see but I was thinking that the Town meets Wednesdays and I'm not sure if that's going to be wise or not.

Mike Blackman: I think the Board has the discretion to make the meetings any day that they want. We have by habit done it on Saturdays. You can just announce it and have it any time the Board wants it.

Chairman Horton: I agree I just want to see what would be more comfortable for the Members. If it would be better to move it to a week night so there would be more attendance and people won't have to give up a Saturday once a month. Especially people who are here during the summer, they are here to enjoy this beautiful area. Saturdays are important, we all have families, and Saturdays are important to them. Before we make a big shift like that we want to make sure it will be a benefit.

General Manager Kirk Sessions: It might be interesting amongst people in this room, just to see what the representation here is.

Carolyn Koch: The only problem I see with a weeknight is when you have working families, by the time they get home and get their families fed. What time of the night are you going to set a meeting? If it goes for a number of hours during the school year. I'm not sure that either way is good or better. One Saturday a month out of 4 to me is not that big of a deal.

Chairman Horton: I agree nothing is perfect, but I just want to make sure that the membership has a meeting that they are comfortable with.

Marie Cazier: I just think that it is very important for people to attend and one night a month I don't think it should hurt anybody to get dinner early and get to a meeting.

Chairman Horton: We are going to have further discussion on this at the workshop. So just for right now to give us an idea, how many people would like to move the meeting to a week day? I got 25. How many would like to keep it on Saturday? I got 6. Who doesn't care? I got 7. Like I said as people talk to us and bring up issues we want to address them and be open.

Director Christianson: I like your idea of getting them engaged, when you look at the map of how the Town and the Association is laid out. All of our activities are basically down by the Barn. We have kids playing in the upper end, the lower end, and lot five. If we could get together and work with those areas in designing parks in their area for the kids to play in and engage them in designing that and we all work together it might help to engage.

Director Wardle: The problem I see is it is the apathy of all youth. If there is nothing in it for them they don't want to do it. The last job I had was training young guys; all they care about is how much they are going to get paid. There was nothing about giving back to community and that is the generational loss that we as America are suffering right now. We don't have the greatest generation that fought wars. We don't have that connection anymore and that is the hard part. My job was to campaign in plat 5 and I had more people slam doors in my face and tell me to get off of their property. I had about 6 good conversations with people that had been involved but then left because everybody wants something. I didn't take this job because I want anything. I took this job because my dad taught me to be part of the community and to give something back and now I have the time to do that. I don't know how to get over the voter apathy or the lack of anybody wanting to participate. We are always preaching to the choir, these are the same faces that I have seen in every meeting I have gone to. I'm open for suggestions, House and Entertainment, please sign up. Kirk Sessions brought up pickle ball, that's all age something we can do with those new lots maybe. Frisbee golf, that's a youth oriented game, if we can start getting something like that into our master plan to get some of these people engaged, maybe we will get them to come and cook hot dogs on the 4th of July. If not, as this generation dies out we aren't going to have a 4th of July or we are going to have to hire it done by someone. If we can find the ground to where nobody objects that we can put a Frisbee golf course in for the kids and maybe host a tournament for them maybe we can get something going with the youth to where they want to start giving back. Most of them now are in soccer leagues, baseball leagues, football camp starts in a couple weeks, that all takes time away from being part of the Association. This is a great Association for recreation for people like us.

Secretary Earl: That is where the rezoning of those lots comes into play that is so important in plat 17 lot 14. The Association owns the property but we cannot use it for anything but parking and an ice rink. We need more space for more activities.

Director Wardle: I am open to any kind of suggestion that gets youth started doing something.

Jerry Kittleson: We are bound by the DCC&R's as far as what a plot is, what is on that plot, and how this place is organized. You have common area, you have platted lots, and you have the airstrip. The DCC&R's define a lot and what it should be used for. Unless somebody, the Town or somebody says okay we wipe out the DCC&R's, we are going to rezone this and this. Something has to give.

Chairman Horton: Whatever we are going to do on this issue will be a legal solution.

Jerry Kittleson: The DCC&R's are there and that is a problem.

Chairman Horton: It is one of the challenges that we have to work through.

Donna Thompson: It is my understanding is that if all owners of the lots within that plat sign to amend the plat, it doesn't require the entire Association, and if I'm not mistaken there are DCC&R's for each plat, that it could be done for that plat.

Chairman Horton: These are some of the legal questions that we are putting towards the Association's attorneys, to get clarification on things. We have a lot of issues; we want to make sure we ask the right questions. We have a pretty long list of things we are addressing, and that question is on the list.

Director Wardle: Remember, not quite 800 of you voted to elect a new Board, that's not even half. So the voter apathy is what is killing the Association right now. The Association could move forward if we can get even a current address on everybody. I can't believe how many trees were killed to get people to even come and do it and they get sent back to us.

Ed Koch: In order to get 4 & 5 involved, why not have a block party? Serve beer and brownies; get the kids out for the brownies and the adults for the beer. Get them all together just to find out what is going on and channel some interest. Will it be difficult? You bet. But it's a start.

6. For the Good of the Order –

Mike Blackman: With Kirk's bombshell, I want to just say that there are not a lot of people who watch what he does. Over 4 years, he attends every meeting we have. He spends a lot of extra time, and I think he is going to be a real loss and I would like to thank him.

General Manager Kirk Sessions: For those who know me well, they know they are not allowed to celebrate anything that involves me. I appreciate it very much, thank you.

Director Wardle: We need Kirk's input now on who will become his successor. We are going to have to maybe come up with some extra payroll for him to teach. We need that transition to be smooth and keep the golf courses the way they are. We need to make sure that that succession goes smoothly. Kirk Sessions is going to have input on who follows him.

Secretary Earl: I think he has been one of the best General Managers. He has been wonderful to work with.

Gary Braun: Some of us were here on the Board when we put him in and I've been here a long, long time. We have run General Managers off before some of us got a chance to see them. What hopefully this Board and the previous Boards have done is let the General Manager manage, don't micromanage. I hope when we do get someone to replace him we don't get back into the micromanagement from the Board because we will never keep anybody here. We finally have a staff that works like a team. We don't always make everybody happy but hopefully we will continue the way we have.

Chairman Horton: I see that we are working really well. One thing I saw that needed improved; we have some defined structure on how this works. There are a few little things that do not connect well. We are going to work on a job description for the General Manager, which is also why we are working on charters for these committees. So now whenever the people change on the committee, they have a charter on their duties, their responsibilities, their roles, so when new people come in the committee doesn't change, the relationship with the General Manager doesn't change, the relationship with the Board doesn't change. That is one of the things that I have been asking the Board to look at. That is why I have asked the Board to do these charters and I have had quite a bit of discussion with Kirk Sessions along this line. We are working really hard to keep the good working relationships that we have now going forward, that we don't digress to things of the past, so that the members are supported correctly.

Ron Thacker: If you are already telling Kirk that his replacement is going to get more money than he is, you are telling him he is underpaid.

Director Wardle: No, that's not what I meant.

Chairman Horton: We are going to work on a process of checks and balances and evaluation of the person that comes in to replace him. We will work with Kirk, the Board, and the Association on that process.

Kathy Dietz: I was a lot owner way back at the end of the 70's and I also own another lot. I have been hearing a lot about what we get for our assessment. I just want to give you my opinion about that. I think that if we live here, what we get is the opportunity to participate in a lot of activities. The lot owners do not get that particular opportunity to do things on the Ranch simply because they are not here. Maybe they own it for future building. They still pay exactly the same amount of money. I believe this group of people wishes to support the Association, support the golf, subsidize the swimming, subsidize the tennis, and the other activities. I also believe that these lot owners want to see some good capital improvements on this Ranch. It is going to increase the value of their home, the value of their properties, and perhaps in the long run that means that we do these various investments. I feel that we should not have free golf, or swimming, or tennis. We subsidize and then those people who are here who have the opportunity can pay to play, pay to participate, to make up that gap, over what the Association puts in to subsidize and then the remainder of that is who uses that pays more money. The other thing that I think that we need to, and I don't know who has control over this, maybe people aren't building up here at this particular time because if you are off somewhere all you read is all this negative stuff about these people suing this and suing that, and you have the phone call that we are going to change this and now it is all dumped over. A lot of that has to go away or we are not going to grow as a community.

Chairman Horton: We have already started to talk about some of that and we will continue to talk about that. We do need to turn that around and we are going to work toward that effort.

Marie Cazier: If a new building is built, there should be a clause in there about the maintenance of it regardless of how many suits there are. The buildings have not been maintained because all of the money has been spent on law suits. There have been more lawsuits here than any other Association I have seen.

Chairman Horton: There does need to be a line item budget, anytime that you invest a great amount of money for capital improvement you need to set money aside in your budget to take care of it and that's just good business. Anything that deals with equipment or the building it is just very good business practice to do that.

Gary Braun: When Legal and Finance gives the monthly report I suggest that we at least talk about the law suits. If it hasn't gone anywhere, tell us that. We don't hear anything else if we don't hear it from you guys.

Director Meikle: I want to compliment Kirk Sessions, he has prepared this thumb drive in the last couple weeks and he has worked a long time so we all have access to this and can read these documents. Everybody on the Board is committed to being much more knowledgeable about all of the legal and finance side of this Board because that is where a big part of the work is. That is why when you walk out of here we want to have a lot of volunteers to help us with these issues.

Gary Braun: I don't think you understood what I was saying. What we would like is the elevator approach of where are we at. We have 3 still active, and here is where they are, just a summary.

Director Meikle: I don't have the answer to that is what I am saying.

Director Wardle: As far as I know, we are waiting on decisions on the fence lawsuit, and we are waiting on the decision from the Supreme Court. The Supreme Court issue is the one that hinges on everything that we are going to try and do. The oral arguments are done on the Supreme Court side and they have until January of next year to give us an answer. The one on the fence has gone through litigation and is sitting in the courts hands.

Director Denney: The Supreme Court hearings have been held and now they have as long as they need to decide. The Ainslie lawsuit all the verbal discussions are through and we are now waiting for the judge to make his decision.

Donna Thompson: I guess I need to make myself better aware, what is the fence lawsuit that is going on now?

General Manager Kirk Sessions: There are two ongoing lawsuits right now, the first one is the fence and it started in 2012 I believe. Someone wanted to enclose an entire lot back yard with a 6 foot fence which is not currently allowed by policy. They took exception to the decision of the Board to not allow that and filed suit

against the Association and it has been going on since. We probably have spent in the neighborhood of \$15,000 on the litigation for that. The DCC&R's, I think everybody is quite aware of. I think everyone has gotten many communications to what that one includes. If there is a need to provide more input, working with Bob and the committee going forward, that's something we can do. It is always difficult to try and make legalese understandable.

Donna Thompson: How much have we spent on the Supreme Court case?

General Manager Kirk Sessions: Right off the top of my head because it is ongoing, just a really rough estimate, probably in the neighborhood of \$20,000 to \$25,000. It has been going on for so long I need to go back and look. From my perspective the amount of time that doesn't make sense is how long we have spent on the lawsuit with the fence.

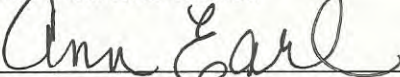
Ed Koch: Both from a resident standpoint and from a Town Council standpoint I want to thank the Association and Director Denney for coordinating the War on Weeds and the upcoming Firewise, setting the tents, chairs, and tables out there. It was a great community effort.

7. Adjournment:* Chairman Horton called for a motion to adjourn.

- Director Denney made a motion to adjourn.
Director Toolson seconded the motion.
Motion passed unanimously.

Meeting adjourned at 11:03 a.m.


Chairman Bob Horton



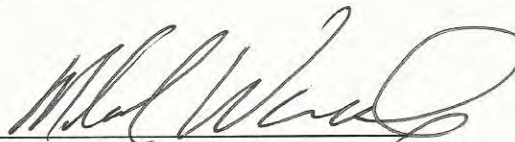
Secretary/Treasurer Ann Earl




Director George Toolson



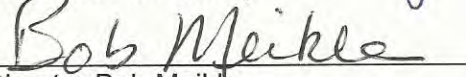
Director Dennis Christianson



Vice Chairman Mike Wardle



Director Ron Denney



Director Bob Meikle