

Star Valley Ranch Association  
Board of Directors Meeting  
March 17, 2012  
9:00 a.m.  
Town Hall

Jere Kovach: Chairman-via phone  
Mike Blackman: Vice Chairman-via phone  
Kathy Daulton: Secretary/Treasurer  
Gary Braun: Director-via phone  
Derk Izatt: Director  
George Toolson: Director-via phone  
Alycyn Culbertson: Director-absent

**Call to order:**

Secretary/Treasurer Daulton called the meeting to order at 9:01 a.m. Secretary/Treasurer Daulton stated that there was a Quorum and called for the Pledge of Allegiance.  
Recognition of Mayor and Town Council.

**1. Adopt Agenda:**

- Director Izatt made a motion to adopt agenda as written.  
Chairman Kovach seconded the motion.  
Motion passes unanimously.

**2. Approval of Minutes for February 2012 Board Meeting:**

- Chairman Kovach made a motion to approve the February 2012 Board Meeting Minutes as written.  
Director Braun seconded the motion.  
Motion passes unanimously.

**3. Standing & Special Committee Reports**

**A. Utilities Report: No report**

**B. Finance & Legal Report: Chairman Kovach gave the following report:**

The Finance and Legal Committee has not met since the last board meeting. However, the General Manager and the Accounting and Business Information department spent a great deal of time creating a more detailed look at how the assessment dollar is spent. At this time I am asking Kirk to present the additional pie charts that have been created.

The objective of this presentation is to tie together everything we are going to talk about today with what we did as far as the budget presentation in November 2011, so that we can make sure there is a correlation and so that everyone understands what's been done and how it relates to the 2011 presentation of the 2012 budget.

To do that I am going to what was presented in November. This is also the same presentation available at the office if anyone wants to come view it. The entire November presentation is available on the website for anyone that would like to take a look.

The way that we have done the budget in the past, the way the financials have been done in the past, is one that has changed since I have become involved. We have tightened it up and made sure that we can manage what we call work centers. We have a person in charge of each work center that is responsible and held accountable for the expense and income of that work center. This is historical to the Ranch with some modifications. The fact is that the histories of the financials have always been similar, they have varied a little bit, and maybe they haven't been as tight as what we currently have. We use acceptable business practices in that the software we have (QuickBooks) and really all financial software support this reporting process. Above and beyond that everything we do as far as the accounting of your

books is based on acceptable accounting practices. We are audited once annually to ensure that we do everything properly.

The work centers that we break everything into includes: golf operations, facilities operations, lounge operations, and using income as an example we have assessment income and a couple things that are unique, so we felt it worthwhile to break them out on here as well things like investment income & the emergency services agreement.

There is a multitude of ways you can choose to do that. You could ask for a "true cost of golf." You can't determine that by looking at the November presentation because we didn't array it that way. The way we presented the budget in 2011 is the easiest most commonly accepted, practiced, & supported by our software.

There has been no hiding of anything, no intent to deceive, no honesty or integrity issues. It is simply the way we presented the budget.

You cannot get the "true cost of golf: from this, that was not our intent. This is a management report to demonstrate how we run our business.

Jere has asked us to go off and spend some time; we have spent a number of weeks trying to come to a "true cost of golf" to the best of our abilities.

We had to do a number of things to make this work. We have 390 line items in our budget, we have 401 active accounts. We set out to do an analysis of each of those line items and determine where each of those costs were associated.

We chose four areas to group/array our data. For every line item, we tried to figure where it fits within these four categories. This truly gets to the question that seems to be weighting on many minds. "What is the true cost of golf?" So this will do that. It will not however, tell you the "true cost of operating a pool or the lounge."

We divided those 390 line items into golf, other recreational, and the cost of running the Association, and Land and Building ownership. Let me try to explain those. Golf is simply that. Other recreational includes the cost of activities, the library, social activities, bar, swimming pool, basically everything that you can recreate except golf. Association Administration is truly the cost of running the office, collecting assessments, enforcing the DCCRs, that type of thing. Land and Building we look at the costs that cannot be impacted by one of the other areas, like taxes and insurance. They are fixed expenses. They are the cost of owning our land and buildings. If the taxes or insurance can be broken out, it has been. We have created separate spreadsheets for insurance and taxes that have allowed us to do what we did. We buy our insurance a package deal, so it is very difficult to separate. Even our insurance company could not do that for us. We have done our best to separate that into the four categories.

On the left hand we have the slides as presented at the November 2011 meeting. On the right we have the slides that we have created as an alternative.

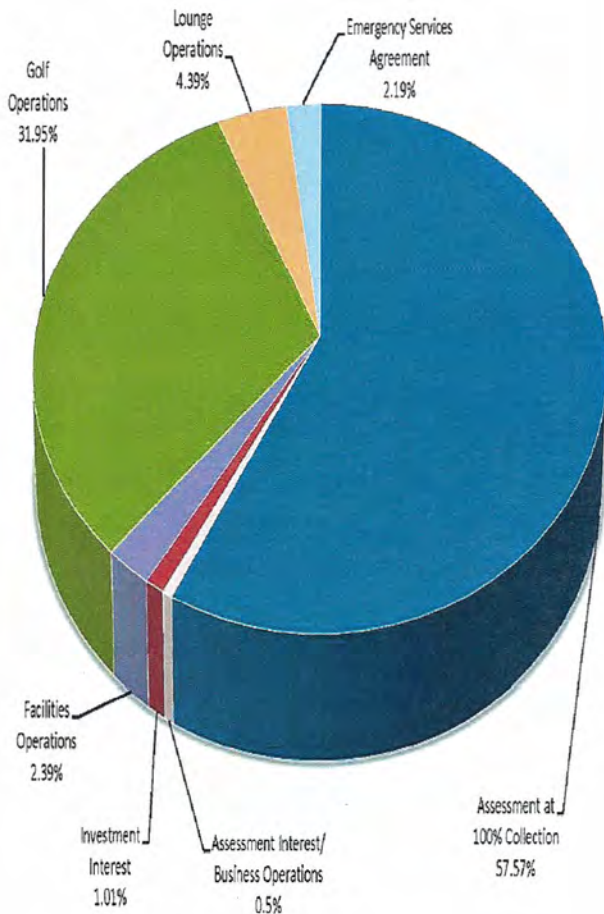
## 2012 SVRA Operating Budget Income Distribution

Assessment at 100% Collection	\$705,250.00
Assessment Interest/Business Operations	\$6,100.00
Investment Interest	\$12,417.00
Facilities Operations	\$29,230.00
Golf Operations	\$391,340.00
Lounge Operations	\$53,800.00
Emergency Services Agreement	\$26,800.00
<b>TOTAL INCOME</b>	<b>\$1,224,937.00</b>

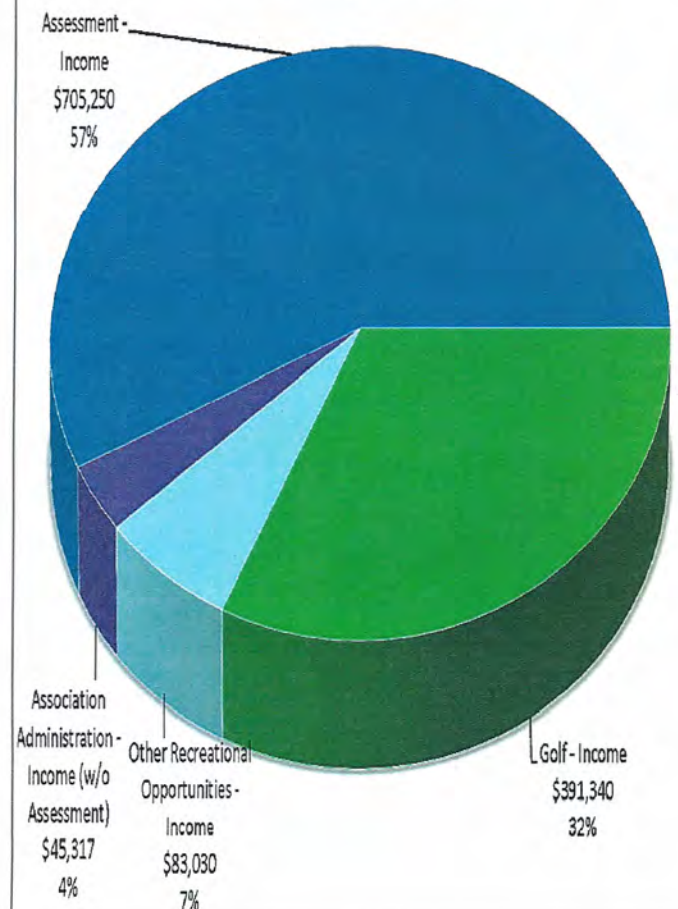
## 2012 SVRA Budget Allocation Alternative - Income Distribution Golf/Other Recreational Opportunities/Association Administration/ Land & Building Ownership/Assessment

Golf - Income	\$391,340
Other Recreational Opportunities - Income	\$83,030
Association Administration - Income (w/o Assessment)	\$45,317
Land & Building Ownership - Income	\$0
Assessment - Income	\$705,250
<b>TOTAL INCOME</b>	<b>\$1,224,937</b>

### 2012 SVRA Operating Budget - Income



### 2012 SVRA Budget Allocation Alternative - Income Distribution Golf/Other Recreational Opportunities/Association Administration/ Land & Building Ownership/Assessment

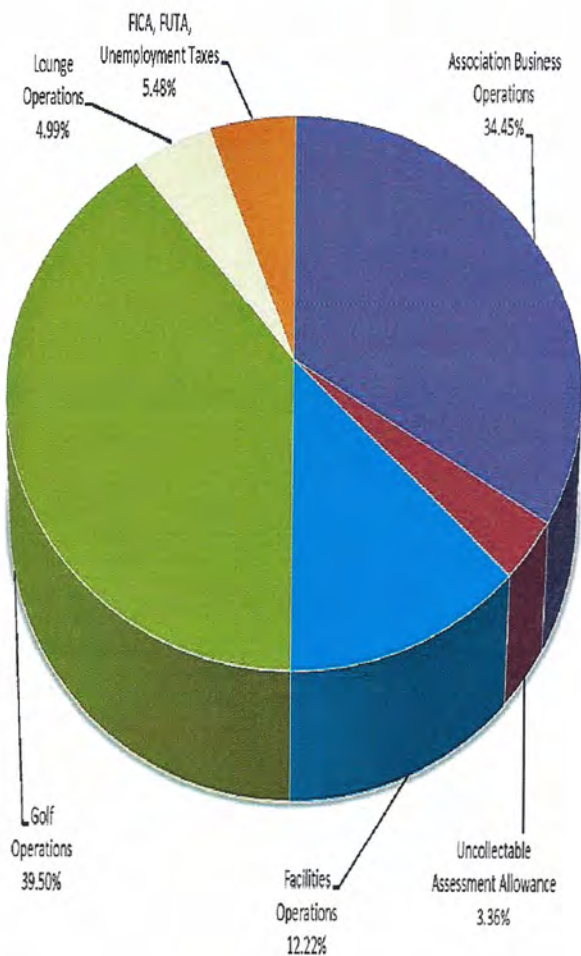




## 2012 SVRA Operating Budget Expense Distribution

Association Business Operations	\$361,098.95
Uncollectable Assessment Allowance	\$35,262.50
Facilities Operations	\$128,122.67
Golf Operations	\$414,040.50
Lounge Operations	\$52,237.75
FICA, FUTA, Unemployment Taxes	\$57,390.78
<b>TOTAL EXPENSE</b>	<b>\$1,048,153.15</b>

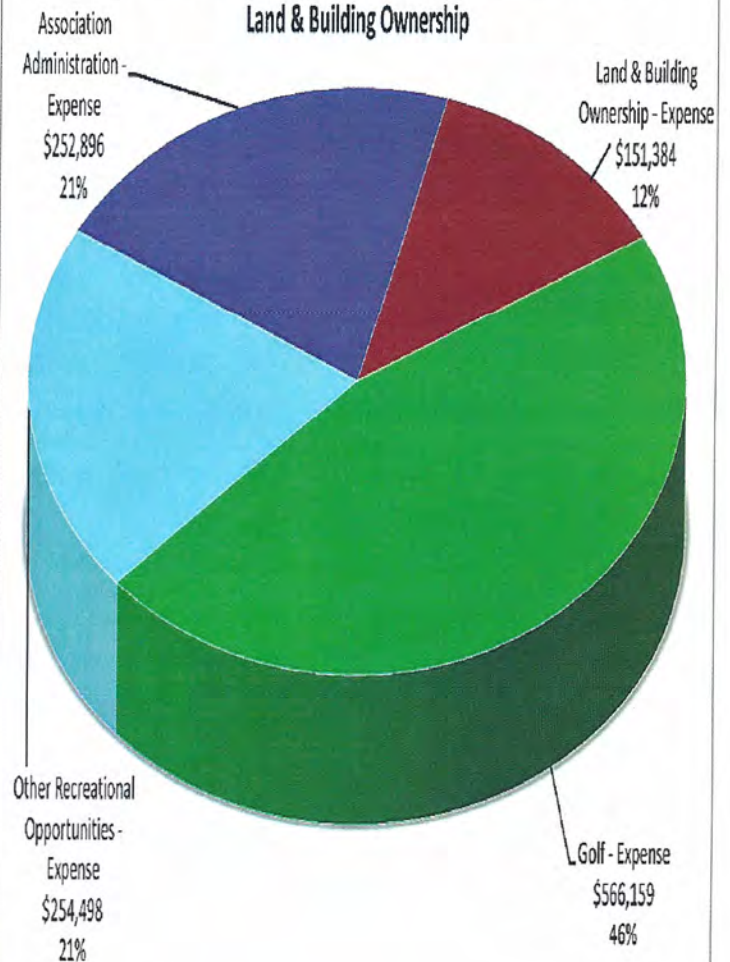
2012 SVRA Operating Budget - Expense



## 2012 SVRA Budget Allocation Alternative - Expense Distribution Golf/Other Recreational Opportunities/Association Administration/ Land & Building Ownership

Golf - Expense	\$566,159
Other Recreational Opportunities - Expense	\$254,498
Association Administration - Expense	\$252,896
Land & Building Ownership - Expense	\$151,384
<b>TOTAL EXPENSE</b>	<b>\$1,224,937</b>

2012 SVRA Budget Allocation Alternative - Expense  
Golf/Other Recreational Opportunities/Association Administration/  
Land & Building Ownership



The three positions the main office supports at any given moment, other recreation, association business, and golf. We have tried to take our best estimate as to how much time each of us spends on each of those areas. We took those numbers and allocated to the correct areas. We have done everything possible to get those areas as accurate as possible.

### 2012 SVRA Budget - Assessment Dollars at Work

Lounge Operations - Profitable	-\$0.78
Golf Operations	\$11.27
Facilities Operations	\$49.08
Association Business Operations	\$174.22
Capital Expense (CAPEX) Budget	\$43.64
Capital Reserve - Community Center	\$44.09
FICA, FUTA, Unemployment Taxes	\$28.48
<b>TOTAL PER LOT ASSESSMENT</b>	<b>\$350.00</b>

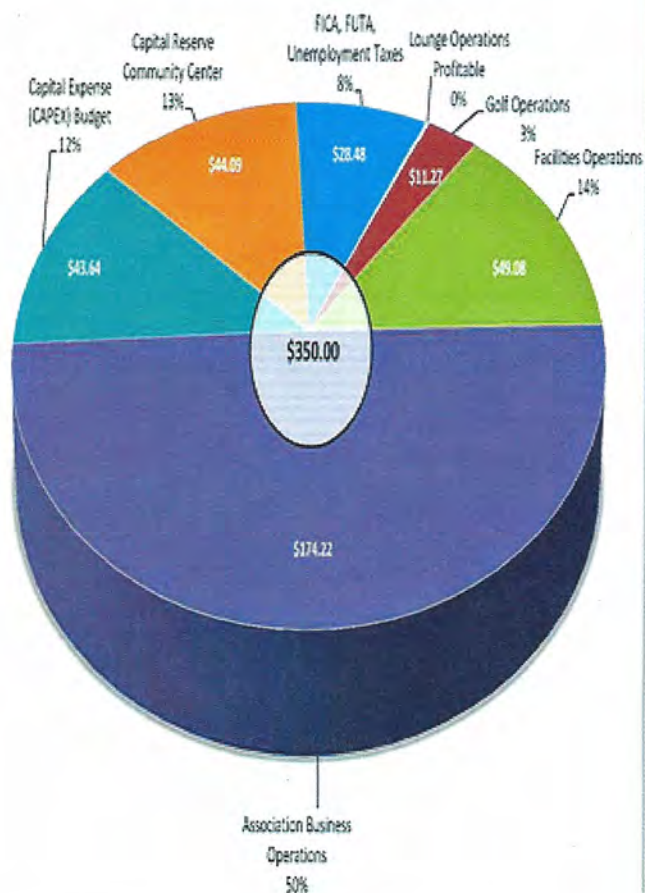
### 2012 SVRA Budget Allocation Alternative

#### Assessment Dollars at Work

#### Golf/Other Recreational Opportunities/Association Administration/

Golf	\$87
Other Recreational Opportunities	\$85
Association Administration	\$103
Land & Building Ownership	\$75
<b>Total Per Lot Assessment</b>	<b>\$350</b>

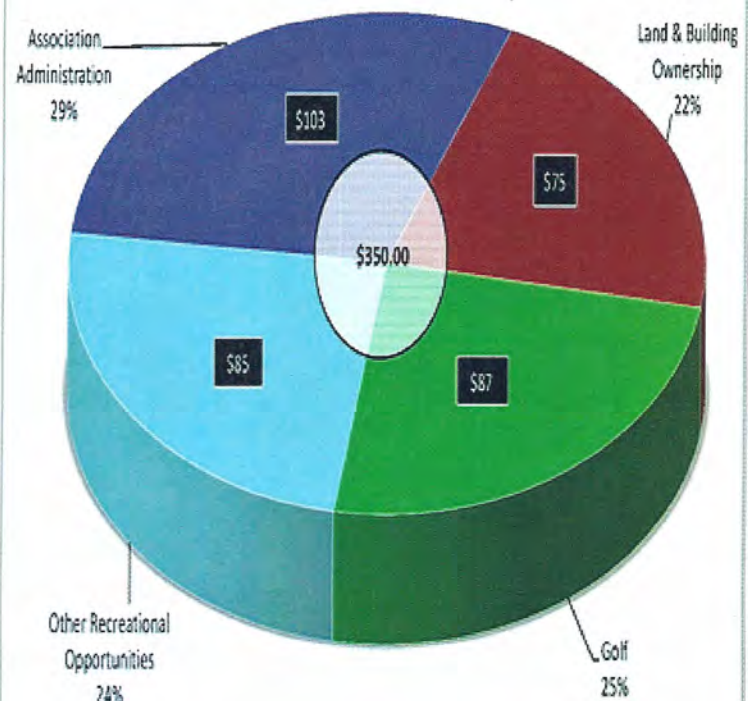
### 2012 Assessment Dollars at Work



### 2012 SVRA Budget Allocation Alternative

#### Assessment Dollars at Work

#### Golf/Other Recreational Opportunities/Association Administration/ Land & Building Ownership





This last view is very difficult for a manager to use to manage a business. This does however, show the "true cost of golf" to the best of our abilities.

Golf covers all things golf, other recreational opportunities includes those items stated previously. Association Administration covers, payroll of Tallia, Kathy, and the General Manager, the attorney costs, insurance and non-collectable assessment. Land & Building ownership covers: taxes and insurance.

To the best of our ability this is the "true cost of golf." Anyone who would like to review the budget, we do not distribute the budget to everyone, but there is a copy available at the office. I would also invite anyone to meet with me and review any part or this entire budget.

Ed Koch asked which of the four categories is the new community center in. Kirk Sessions answered "Land and Building. \$88,000 to land and building from our capital fund. At Jere's request we opened a savings account and on a monthly basis, as we balance the account, for each 2012 assessment we collect we will transfer \$44 dollars to that savings account, in an attempt to be more transparent. That savings account will be solely dedicated to a new barn/silo complex. There are other funds that are available in CDs set aside for that project as well."

Roger Minerman asked if the BOD has protested the tax assessment from the county. General Manager Sessions explained that the taxes have gone down but we have not protested.

Mr. Minerman encouraged the Association to focus more on expense and less on income. General Manager Sessions replied that we focus on all aspects of the budget every day. We focus on two main things, manage our expenses and increase our revenue.

I hope everyone realizes the amount of effort that has gone into this presentation. The Board of Directors extends a special thank you to Kirk and Kathy for all their work.

**C. Architectural Control Report: No report**

**D. Golf and Greens Committee Report: Director Braun gave the following report:**

We have had a nice warm spell of 40 degree weather which settled the snow quite a bit. We still have about 2 ½ to 3 feet of snow remaining. We remain hopeful that milder weather this year will allow us to open our Golf Courses much earlier than last year and get us back on the first week of May opening date schedule.

We have started moving back into the pro shop, cleaning, organizing displays, working on the GHIN and POS Systems, and finalizing soft goods ordering. We will again offer custom ordering for everything a golfer might want. We also will have an exciting demo program for the new 2012 clubs from Callaway and TaylorMade.

This season we will be introducing our new customer evaluation program called "Chip In". Our customers will have the opportunity to complete a brief evaluation card designed to measure the key elements that shape a golfer's decision regarding several areas including course selection and overall quality. The program is a new tool to help us measure our customers' satisfaction and help assist us to keep improving customer service and overall quality to both our members and guests.

Golf course maintenance is also making progress. Black sand has been ordered for the greens and our mechanic is being hired for a March 19th start to get all our equipment ready for spring. Kirk Sessions and Kurt Richmond are also getting both the Pro shop and the course maintenance staffs lined out for the summer.

Winter recreational activities continue with the grooming of cross-country, snowshoe, skate skiing trails and grooming trails on the back nine holes of Cedar Creek and Aspen Hills.

The Star Valley Ranch annual winter golf tournament held in Mesquite, Nevada on February 28th and 29th was a big success this year. 50 Players and guests participated this year hosted by Arch and Myrna Archibald. Arch summarized this year's SVR winter golf tournament by saying:

"In summary a Great Time was had by all. There were lots of good comments about the food, fun, sun and the Championship Golf Courses. Thanks to the Casa Blanca for the donation of the Casa Del Sol. The Veteran's Center for using their Building rent free and all of the Mesquite Friends who donated time, effort and food to make this the success it was."

Arch went on to say: "After all bills and expenses were paid there was a balance of \$335.62 left in the special Account. This money will be donated to the Veteran's Center in the name of the Star Valley Ranch Wyoming Golfers at the next Vet's meeting."

Another couple items of golf interest: \* Kirk and I are working with Bob Saunders, who has taken over for Liz Beck, regarding the annual Star Valley Medical Tournament to be held later this summer. \*Regarding the Family Legacy golf markers, we have now sold 4 of the 9 large Tee Box Boulders at Aspen Hills and 9 of the 18 large Tee Box Boulders on Cedar Creek. There have also been 35 of the tee box and fairway yardage slabs sold. We have received photos of some of the stones selected in order to finalize the engraving specifications and layouts. They look marvelous! The engraving of these markers will commence as the orders are paid and the Tee Box Boulders and yardage slabs will be set in place this summer as the completed boulders/slabs are delivered. Please call the office if you'd like more information.

Last but not least, we have rewritten our SVRA Golf Operations Policy. Again, a big Thank You to our General Manager for working so hard on this. This effort has taken several months and has now been reviewed and comments incorporated from the Golf Committee and the Board of Directors.

This new Golf Operations policy describes the process we use to set golf fees, formalizes our rain check policy, and several other key areas. Kirk will now briefly run through this 3 page golf policy on the big screen and then I'll make a motion for the Board to approve the policy.

Golf Operations Policy presented by General Manager Sessions.



# OPERATING POLICY

<b>POLICY TITLE: GOLF OPERATIONS</b>					
<b>SECTION</b>	<b>RECREATIONAL ACTIVITIES</b>	<b>NUMBER</b>	<b>4.1</b>	<b>DATE</b>	<b>3/17/12</b>
REPLACES POLICY NUMBER: 4.1		TITLE: GOLF – OPERATIONS & PROCEDURES MANUAL			
DATE ADOPTED: UNKNOWN					
DATE REVISED: 2/16/12					
CROSS REFERENCES:					
APPROVED:					
GENERAL MANAGER				DATE	
SVRA CHAIRPERSON				DATE	

The golf courses at SVRA will be operated within the following guidelines.

## Hours of Operation

Operating hours of the golf courses will be set by the Director of Golf in consultation with the General Manager. They will increase as daylight hours increase and decrease as daylight hours decrease. Service to the customers will be the priority in establishing cost effective operating hours. Inclement weather closings and curtailments will be posted at the pro shop on those days affected.

## Course Conditions

Annual course opening and closing dates will be determined by the Director of Golf and approved by the General Manager. Every effort will be made to maximize the season length for our members and nonmembers and to protect the course from any long term damage due to playing during periods of snow, excessive moisture and frost. The Director of Golf will make the final decision as to whether the courses or any parts thereof will be closed to play due to playing conditions or special maintenance requirements. Any closings that exceed a single day will be reviewed and approved by the General Manager.

## Tee Time Reservations

Advance tee time reservations will be available to all golfers: for members of SVRA, two weeks (14 days) in advance, and for nonmembers, one week (7 days) in advance. All players will be advised that tee times changes must be made twenty-four (24) hours in advance. Repeated cancellations without prior 24 hour notice will result in requiring a credit card guarantee and charging the golfer making the reservation if cancellations are



made after the 24 hour time period. SVRA will also have the ability to invoke this guarantee requirement if conditions warrant on very heavy holiday weekends.

### Rules of Play

All play and competition will be governed by the rules of the USGA except as modified by the SVRA Golf Committee and SVRA Board.

Attire – Traditional golf attire is preferred but not mandatory. All attire is expected to be golf conservative suitable for all age groups. Golf shoes with rubber cleats are preferred. Metal spikes will not be allowed on either course. Other types of shoes may also be permitted by pro shop personnel if they are suitable to be worn on the courses and no harm will be done to the greens.

Standard golf etiquette will prevail. Golf course rules will be posted at the course and pro shop employees will be empowered to enforce the rules. Any golfer requested to leave the course will be eligible for a refund of a pro rata portion of the player's fees that represent the unused portion; the rain check guidelines will be used to determine the amount refunded. Chronic abusers of the Golf Course rules may result in loss of golf privileges with the approval of the General Manager.

All golfers are required to check in at the pro shop prior to beginning play. Member players with season passes may "play to the pro shop" to check in, with advance phone approval from the pro shop and as long as there is no disruption to the rate of play of golfers on the course.

### Golf Cart Rules

Carts, leased and privately owned, must be driven on the courses by licensed drivers. Only two (2) persons per cart are allowed. The exception being that a child may be the third cart occupant, as long as all three occupants of the cart can comfortably occupy the seat. All carts will remain off of private property, thirty (30) feet from the greens and ponds, and not driven on the tees or areas marked as restricted to carts. The exception to the 30 feet greens rule will only apply to those golfers with physical impairments. Those golfers may request a handicap flag from the pro shop which will be displayed on their cart at all times. Chronic abusers of the golf cart rules may result in loss of cart privileges with the approval of the General Manager.

### Rain Checks

If a golfer is unable to complete their round due to inclement weather, a rain check may be issued based upon the following guidelines.

#### **9 Hole Players**

Played five holes or less  
Started the 6<sup>th</sup> hole of the round

9 Hole Rain Check  
No Rain Check

#### **18 Hole Players**

Played five holes or less  
Played 14 holes or less  
Started the 15<sup>th</sup> hole of the round

18 Hole Rain Check  
9 Hole Rain Check  
No Rain Check

Rain checks may also be issued to golfers who are called away due to emergencies or for purposes of personal health, where completing the round is not possible. Rain checks will have no expiration, will be signed by an authorized representative of SVRA, and will clearly state the service(s) for which the rain check can be redeemed. SVRA will not issue cash refunds due to inclement weather unless extenuating circumstances exist requiring a refund to preserve our expected high level of customer satisfaction.

### Golf Fees

Golf and cart fees will be set by the General Manager and Director of Golf as a part of the annual budget process and approved by the Board of Directors. Any golf fee changes necessary during the golf season will be recommended by the Director of Golf and approved by the General Manager and Board Director responsible for Golf, with input from the Golf Committee.

Group rates will be approved annually and made available to all groups equally. Group rates lower than those provided by the annually approved Fee Schedule will require a request from the Director of Golf and the approval of the General Manager.

- Director Braun made a motion to approve the Golf Operation Policy as written. Vice Chairman Blackman seconded the motion. Motion passes unanimously.

#### **E. H&E Committee Report: Secretary/Treasurer Daulton gave the following report:**

An estimated 50 people, young and old, attended the SVRA Snowfest 2012 on March 3rd. They tried out cross-country skiing and snowshoeing with demo equipment from the Skinny Skis specialists and our own experts Deb Adler and Rick and Carolyn Nelson. Many thanks to all participants and to Tallia, Kurt and Ernie for preparing the trails and helping at the event and to Deb and Dan Valdez who opened the Cedar Creek Grill for hot drinks and lunch. The Grill is now open Thursdays – Saturdays from 11:00 until dark. Watch for Grill specials on the SVRA website.

Help us give SVRA kids an Easter Egg Hunt on Saturday, April 7. Colorful eggs and prizes will need to be 'hidden' on the snow at Cedar Creek Park near the pool from 7:45-8:30 a.m., so children can "find" them beginning at 9:00 a.m. Volunteers are needed and yummy rolls will be waiting. Please call the office if you can help.

Attention painters, sculptors, potters, jewelers, clothiers, woodworkers, weavers, crafters, quilters, sculptors, glassworkers and more: the Star Valley Ranch Juried Art Show is now scheduled for May 4th and 5th at the Star Valley Ranch Town Hall. Emails have been sent from SVRA and posters are going up throughout the Valley. All modes of art are welcome. Prizes for 1st, 2nd and 3rd Best of Show will be awarded by the Flying Saddle Resort.

Interested artists should send 3 photos of the work to be judged and an artist's statement to P.O. Box 3531, Alpine, WY by Saturday March 31, 2012. For information please call Mark Marino at (307) 413-9911.

#### **F. Election 2012 Committee Report: Secretary/Treasurer Daulton gave the following report:**

**Who can run for election and what is the procedure?**



All SVRA members in good standing are welcome to run for election to the Board of Directors. (In good standing means members who have no outstanding assessment delinquencies, excluding interest or collection fees, or citations outstanding with the Association. Renters are not eligible.)

Two 3-year positions on the board will be open this year. The first step for candidates is to submit a candidate statement, photo and nominating petition with signatures of 10 members also in good standing to the SVRA office on or before Tuesday, April 24. The full 2012 Election Calendar follows this report. Please contact the SVRA Office for details or any board member for assistance and encouragement.

### **How is the election conducted?**

Ballots are sent to all members by mail, and members may vote by mail or in person at the Annual General Meeting on June 24th. A quorum of 30% of the membership is required to complete the election.

An election committee made up of members and the office staff is assembled each year to oversee the election process and to tabulate and announce the votes after the Annual General Meeting. This process takes 2-3 hours. Members interested in being on the election committee should please call the office at 883 2669 or Kathy Daulton at 883 5555.

### **What do board members do?**

Board members are elected volunteers.

Our checks and balances are the SVRA By-laws, the Articles of Incorporation and the DCCRs. The association and the board are bound to these legal documents.

The SVRA Vision is to provide and promote well-maintained facilities and affordable recreational and social opportunities for the community under the provisions of the DCCRs. We have worked toward achieving the Vision by improving facilities, advancing winter recreation and passing the DCCR revision. We continue working to redevelop our deteriorating infrastructure to meet our needs and improve efficiency and safety.

Because board members are volunteers, committees and projects are divided up based on expertise and interest. The General Manager is an ex-officio member of all committees.

The board works as a team to discuss issues, problem solve, contribute to and approve communications, and to make policy, financial and personnel decisions.

Directors have monthly workshops and a regular meeting the third Saturday of each month except December.

As part-time volunteers, directors do not run day to day operations, such as service to customers, data collection, record-keeping, maintenance and office management, for which the General Manager and employees are well-qualified and critically important.

## 2012 ELECTION CALENDAR

**March 25<sup>th</sup> (Sunday)**

**90 days prior to Annual Meeting  
Last day to accept ballot motions from  
Members**

***Available On or Before April 13, 2012: Election packets are picked up  
at the office by the candidates.***

**April 24<sup>th</sup> (Tuesday)**

**Candidates' last day to present nominating  
petitions.  
Candidate presentation and photo for  
inclusion in the annual booklet are due and  
must be presented to SVRA office by today.**

**April 26<sup>th</sup> (Thursday)**

**All materials are due to the printer.**

**May 11<sup>th</sup> (Friday)**

**Pick up booklets from the printer.**

**May 14<sup>th</sup> – 15<sup>th</sup> (Monday & Tuesday)**

**Election Committee will assemble packets  
for mailing.**

**May 16<sup>th</sup> (Wednesday)**

**Packets mailed to the members**

**June 14<sup>th</sup> (Tuesday)**

**Membership in good standing verified by  
office personnel  
LVI lots verified by office personnel  
Membership roster closes**

**June 20<sup>nd</sup> (Wednesday)**

**Proxies verified**

**June 22<sup>th</sup> (Friday)**

**Set up for election  
7:00 PM: Candidates Night – 10 minutes  
per candidate for presentation; questions  
and answers**

**June 23<sup>th</sup> (Saturday)**

**8:00 AM: Annual Meeting  
Polls close 30 minutes after adjournment  
Vote tally  
Re-organizational Meeting Elected and  
Incumbent Board of Directors**



Ed Koch asked which two positions are available and also there has been a Director that has been absent for five to six months, will that position also be available?

Secretary/Treasurer Daulton answered that both Jere Kovach and Gary Braun's terms will be up.

Chairman Kovach addressed the other Director that was mentioned. I have had discussions with Alycyn; her contract is up June 30<sup>th</sup>. She is not sure if she will done working. If she is done she will be back on the Ranch right away. She will make the determination of what she is going to do shortly after June 30<sup>th</sup>.

**G. DCCR Report-Secretary/Treasurer Daulton gave the following report:**



# OPERATING POLICY

POLICY TITLE: DCCR ENFORCEMENT PROCEDURES					
SECTION	SVRA ORIGIN AND PURPOSE	NUMBER	1.3.3	DATE	3/17/12
REPLACES POLICY NUMBER: 8.6		TITLE: Enforcement of DCCR Violations			
DATE ADOPTED: 2/21/98					
DATE REVISED:					
CROSS REFERENCES:					
APPROVED:					
GENERAL MANAGER				DATE	
SVRA CHAIRPERSON				DATE	

The procedures for DCCR violation(s) enforcement is set forth below and supersedes any other such procedure/policy previously adopted by the Board. In its discretion, the Board may deviate from the policy depending on the specific facts and circumstances of an individual violation.

1. **"Friendly Reminder"** – In most cases, and when appropriate as determined by the Association Compliance Officer\*, the first notification to an owner of violation of the DCCR's will be by means of a "Friendly Reminder" letter presented to the owner or left at the residence.
2. **"Notice of Violation"** – If, within fourteen (14) calendar days of the date of the "Friendly Reminder," compliance is not gained, or if the same provision of the DCCR's is subsequently violated within ninety (90) days of its resolution, a written "Notice of Violation(s)" together with a request to cease and desist from the alleged violation(s) shall be sent to the owner of the lot via regular mail and shall specify:
  - (a.) The alleged violation(s);
  - (b.) The action required to correct the violation(s);
  - (c.) A time period for compliance of fourteen (14) calendar days; and
  - (d.) That unless the violation(s) is corrected, the matter will be referred to the Association's Attorney to initiate legal action.
  - (e.) That in the event the owner is leasing his/her home, the Association may



- provide a copy of the "Notice of Violation(s)" to the owner's tenant.
- (f.) That the owner has the right to request a variance by the SVRA Board of Directors, however, the ruling of the Board will be final and binding on the owner.

3. **"Notice from Attorney"** – If the violation(s) continue(s) past the period allowed in the "Notice of Violation," or if the same rule or provision of the DCCR's is subsequently violated, the Association's Attorney via regular mail, shall serve the Owner with written **"Final Notice of Violation"**. The notice shall state:
- a) The nature of the alleged violation(s);
  - b) That if the violation is not resolved within fourteen (14) days, legal actions will be initiated and that the owner may be liable for legal costs and attorney fees incurred by the Association.

**Request for Variance for Reconsideration by the Board of Directors - Procedures.**

- a) The owner may request reconsideration by the Board of Directors at any time prior to referral to the Association's Attorney.
- b) In order to request Board consideration and/or schedule an appearance before the Board for such, the owner must submit a written request for a variance to Policy and include a thorough response to each of the six (6) conditions listed in the Operating Policy "Variances to Policy 2.8 of 8/20/11". The request for a variance must be submitted to the Association's General Manager within seven (7) days of receipt of notice.
- c) The matter shall be scheduled for the next BOD Workshop and the owner will be notified of the date, time and location via regular mail (electronic notification will also be acceptable). The owner shall be afforded a reasonable opportunity to be heard. At the conclusion, the BOD will have the opportunity to discuss and rule on the applicant's request for a variance (at the Board's discretion, an Executive Session may be called to review and discuss a ruling on the request.)
- d) The owner will be notified in writing of the ruling.
- e) The ruling of the Board will be final and binding upon the owner.

- Secretary/Treasurer Daulton made a motion to approve the DCCR Compliance Procedures Policy as written.

Director Izatt seconded the motion.

Motion passes unanimously.

Boyd Siddoway asked if the BOD would post a copy of variances given. Secretary/Treasurer Daulton said that we have not discussed that but, I will make a note that we need to discuss that.

Sheryl Manning asked with the friendly reminders, what are you going to do with the snow birds. If they are not home, how will you give "friendly reminders" to those that are not home and may not be home, in time to receive notice of

violation? General Manager Sessions said that this will be an ongoing process. The snowbirds will not become residents outside of the snow without knowing that they are in violation. They will get the second notification in the mail. If they call and there is an exception, this policy allows us to work these cases with them.

Boyd Siddoway recommended that the mailed notices be sent out via registered/certified mail so that we have record of the owner receiving the notice.

Secretary/Treasurer Daulton reminded the membership that this procedure is new to the Ranch making this a trial year. We will be reviewing this process and making changes as needed. As changes are made the community will be informed.

Carolyn Koch asked, "What is the compliance officer going to do?" Is he going to walk into people's back yards? General Manager Sessions assured that the compliance officer will not be walking through yards.

Boyd Siddoway asked if the vehicle will be marked that will be patrolling.

General Manager Sessions said we have contracted Jackson Hole Security as a contract employee. As a contract employee they will be providing an automobile for this purpose. The vehicle will be marked Jackson Hole Security. We will also be sending out a lot of communication so that people recognize that vehicle. There will also be a phone number so that you may call the security officer.

**H. SVRA Barn/Silo Redevelopment: Vice Chairman Blackman gave the following report:**

We have submitted our ideas to a draftsman who will provide us with a one line drawing. We will then look at it to make sure it is in compliance with all of the zoning codes. This will probably be a smaller complex than what we already have.

Mark Michael asked if the members will be asked if they want this facility.

Chairman Kovach said that the BOD is responsible for the maintenance of the facilities and common area, and so the maintenance of the barn/silo has been neglected for a long time. It has now become a safety issue, because it is a safety issue I think that we will probably proceed in some fashion without specific approval of the members.

**I. Chairman's Report: Chairman Kovach gave the following report:**

It appears that Star Valley Ranch is never without controversy over some issue. The primary issue for 2012 has been the latest assessment set by the Board of Directors.

Today, with the help of the General Manager, we have offered a more detailed explanation of how the assessment dollar is spent.

The range of views on the cost of, and the fees charged for golf and the other recreational opportunities is wide. The Board of Directors tries to find some middle ground. Golf and the other recreational opportunities are inherent parts of Star Valley Ranch. Golf and the other recreational opportunities are the features that distinguish Star Valley Ranch from other developments in Star Valley.

In a June 21, 2002 ruling, the Supreme Court of Wyoming included the following sentences as part of the opening of the Facts and Procedural History:

"In the early 1970s, the developer Leisure Valley began selling lots in Star Valley Ranch, a rural recreational subdivision in Lincoln County. Star Valley Ranch consists of 2,050 residential lots plus amenities such as swimming pools, golf courses, tennis courts, hiking trails, a bar, and a restaurant. "



The Articles of Incorporation, the by-laws, and the DCCRs lay the foundation for the determination of the annual assessment. Specifically the DCCRs state, "The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the Members of the Association, and in particular for the improvement and maintenance of the services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area."

The DCCRs also state: "After consideration of current maintenance costs and future needs of the Association, the Board of Directors shall fix the annual assessment at an amount not in excess of the maximum established for the subject year."

These are the directions your Board of Directors must follow.

The maintenance costs of the common area are to be covered by the annual assessment.

The safety and the maintenance of the facilities is absolutely a responsibility of the Board of Directors.

#### **4. General Manager's Report: General Manager, Kirk Sessions gave the following report:**

**Account Statements:** All bank accounts are balanced for the month of February with no exceptions.

#### **Assessments**

**2009 Lawsuit Collection Status:** 15 Lots (.74%) have not paid in full. 1 declared bankruptcy in process, and 2 foreclosures. One SVRA initiated foreclosure resulted in a complete payment and one foreclosure resulted in SVRA taking ownership of a lot at the Sheriff's Sale 2/28/12.

**2010 Assessment Status:** 24 Lots (1.19%) have not paid in full (includes 15 from above). Finance charges (12%) are added to all past due accounts.

**2011 Assessments Status:** 60 Lots (2.98%) have not paid in full (37 of those are not included in one of the above categories). Some additional partial payments have been received from the above.

**2012 Assessments Status:** 1277 (63.37%) have paid in full compared to 1067 (52.95%) for the same period last year. The next statement distribution is planned for April. We continue, on an ongoing basis, to pursue additional payments on past due accounts.

**Business Activities:** The Annual Audit has begun and the initial field work was completed last week with the follow-up review scheduled for 3/22/12. The final Audit results will be presented at the Annual Meeting in June.

**DCCR Compliance:** A training schedule for the compliance officer has been set for the end of March and the design of reports, tracking system, Policy development and communications process are moving forward as planned. The April 1, 2012 implementation date will be achieved as planned.

**Facilities:** Ernie is maintaining the ice rink as long as conditions allow. He completed the grill modifications this past month to accommodate our new year-round tenants and continues to work on the Cook Shack cabinet refinishing project.

#### **Golf Operations**

**Golf/Pro Shop:** The launch of the Family Legacy Golf Program has brought a great deal of excitement, receiving very favorable comments from our members. To date members have purchased 13 Tee Box Boulders and 35 Yardage Markers. We have received photos of some of the stones selected in order to finalize the engraving specifications and layout and they look marvelous! The engraving of these markers will commence as the orders are paid and will be

placed this summer as completed stones are delivered. Kurt and I are continuing with the planning and organization for the 2012 golf season. We will again offer custom ordering for everything a golfer might want and an exciting demo program for the new 2012 clubs from Callaway and TaylorMade. Kurt is also busy getting the Pro Shop cleaned and ready to open.

This season we will be introducing our new customer evaluation program "Chip In". Our customers will have the opportunity to complete a brief evaluation card designed to measure the key elements that shape a golfer's decision regarding which course to play. The program will be perpetually compiled to measure our quality of customer service. Participating customers will periodically have an opportunity to win a prize in a random drawing. A secondary objective is to increase our customer e-mail database for future electronic marketing.

**Golf Course Maintenance:** Plans for the 2012 season continue with about two and one half to three feet of snow on the greens at this time. Kurt has been finalizing plans for the completion of the driving range this spring/summer. He has ordered the black sand for the greens as the weather has been more spring like and shows promise! (Refer to Golf and Greens Committee Reports for additional information.)

**Water Projects Update - Alternate Point of Diversion:** LVI has withdrawn their consent of the petition at this time pending the resolution of "several issues that should be considered by the parties." It will be spring before the Stewarts return for us to sit down and resolve these issues. The State Board of Control has continued at their February meeting to "continue to refer it to hearing" with conditions to be worked out with the involved parties.

**H & E:** The SVRA Snow Festival had a good turnout with cross-country skiing being the most popular attraction!! Rick Nelson, Deb Adler and Jeff and Phil of Skinny Skis of Jackson were instrumental in the success of this event and their efforts are greatly appreciated. A special thanks to Tallia, Kurt and Ernie for their efforts in preparing the trails and helping with the event! (Refer to H & E Committee Report for more information.)

**Cedar Creek Grill:** March 1<sup>st</sup> marked the opening of Cedar Creek Grill under the operation of Deb and Dan Valdez. Deb is offering her "winter menu" and hours for now and will change both as the weather warms up. Watch our e-mails for specials that Deb and Dan have to offer!

**Winter Recreation Activities:** Our trail grooming has been curtailed of late due to a mechanical problem with our snowmobile which is used to pull the groomer. Due to its age, finding replacement part is a challenge; however, we are trying to get it up and running to finish out the 2012 season. The large trail map is now posted on the side of the pool building for reference. Weather conditions have made it impossible to even lay down cross-country tracks, however, I have loaned my personal snowmobiles to Kurt and Ernie for that purpose if the weather conditions make it possible. My machines are not capable of pulling the groomer, so it will only be cross-country tracks. We apologize to the growing group of winter recreation enthusiasts and remain committed to doing all we can to make the remainder of our winter recreation season as good as we can.

## **5. Old Business: none stated**

- 6. New Business:** Chairman Kovach made the following clarification, "I am not saying there will not be public input with the barn/silo complex project. What I am saying is that the maintenance and safety issues have become so severe that we need to do something."

## **7. For the Good of the Order:**

Ron Mueller asked our by-laws asked if the finance committee would get together and edit the by-laws and get a vote from the membership. Secretary/Treasurer Daulton answered by saying, "The by-laws are tied in with the DCCRs. As you can see they both address a lot of the same topics. I think we should look at updating the by-laws as well. We will look into that project once we can get the new DCCR problems worked out."

Ed Koch asked if there was any update on the legal action.

Chairman Kovach replied that court still has not set a date yet, we are still on hold.



Mark Michael asked what the process would be to start the dissolution of the Association.

Chairman Kovach said that the best way to approach that would be to have our legal counsel write a letter.

Boyd Siddoway said that he is asking us how to dissolve our Association. I believe that is his responsibility, I don't know that it is appropriate for us to spend our money on trying to figure out how to get rid of us. I believe the Association is here to serve the members as a whole not just an individual. I would ask your attorney to review that first and then if he says that's fine then we should do it.

Chairman Kovach said that if we go to the by-laws they are very specific on what we need to do with disbursement of assets before you could ever dissolve the association. It would be a very long process because you would have to find a non-profit organization that would want to take it on.

The Finance and Legal committee may want to discuss that when they meet in May. We may want to put that on our agenda for the May meeting.

Mr. Michael said that as a member he has a right to know what that procedure is. He expressed that he is not the only member that would like for that to happen.

Secretary/Treasurer Daulton expressed that having working on the DCCR changes; big changes takes more time than you could ever dream and more money than you would ever expect.

Mr. Michael stated that the Mayor, Kent Harker, and Al Redlin had told him in private conversation that "with the organization of the Town the Association would eventually go away. It would take a little time but it would eventually go away."

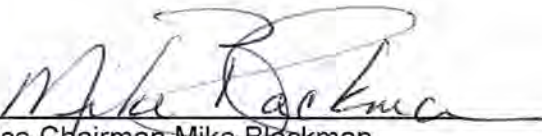
Boyd Siddoway said, "The Town would never take over the Association. We did not want the Association to go. There has been a resolution on that wall for five and a half years that has said these are the responsibilities of the Association and these are the responsibilities of the Town, We have never said that the Association would go away."

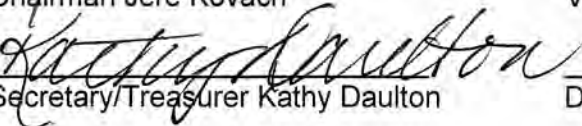
#### 8. Adjournment:

- Director Izatt made a motion to adjourn.  
Director Braun seconded the motion.  
Motion passed unanimously.

Meeting adjourned at 10:47 a.m.

  
Chairman Jere Kovach

  
Vice Chairman Mike Blackman

  
Secretary/Treasurer Kathy Daulton

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Director Gary Braun

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Director George Toolson

  
Director Derk Izatt

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Director Alycyn Culbertson