

Star Valley Ranch Association
Board of Directors Meeting
May 21, 2015
7:00 p.m.
Town Hall

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

Call to order: Chairman Mike Wardle

Chairman Wardle called the meeting to order at 7 p.m. and stated that there was a quorum and called for the Pledge of Allegiance.

Chairman Wardle recognized special guests: Mayor, Kathy Buyers, Councilman, Ed Koch, and past Mayor, Boyd Siddoway.

1. Adopt Agenda:

Chairman Wardle stated that the agenda needed to be amended because we received an offer on 1 of the 2 lots that the Association currently owns that we put up to sell last month.

- Director Christianson made a motion to amend the agenda. To put that motion under Architectural to see if we want to accept the offer.
Director Toolson seconded the motion.
Motion passed unanimously.
- Vice Chairman Denney made a motion to adopt the amended agenda.
Director Toolson seconded the motion.
Motion passed unanimously.

2. Approval of Minutes for April 2015 Board Meeting:

- Director Toolson made a motion to approve the April 2015 Board Meeting Minutes as written.
Secretary/Treasurer Earl seconded the motion.
Motion passed unanimously.

3. Standing Committee & Special Reports:

A. Chairman's Report: Chairman Wardle gave the following report:

Sweatt Lawsuit has been turned over to our attorney. At this point the Board can no longer comment on that in open public or discuss this matter. All questions need to be directed to our Attorney.

Presentation of Returning to the Original DCC&RS:

REQUIREMENTS FOR RETURN TO ORIGINAL DCC&RS

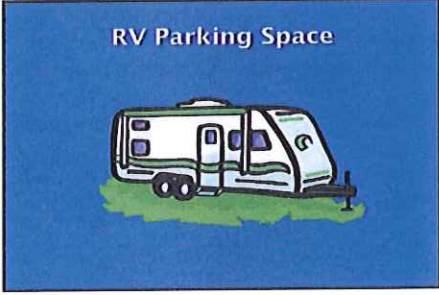
All Requests Must
Be Received By the
October 15, 2015
Due Date!!

It is the intent of the Board of Directors of SVRA to implement a formal, equitable, and sustainable methodology to achieve DCC&R compliance as we return to the original DCC&Rs as required by the court.

“2012 DCC&Rs” were in effect from January 1, 2012 to August 6, 2013

Grandfather Variance Application Procedure

1. Obtain a Grandfather Variance Request from SVRA office and/or www.svrawy.com.
2. Complete the Variance Request and submit to SVRA office between the dates of May 21, 2015 and October 1, 2015.
3. The Architectural Committee and/or Board of Directors will review and approve/disapprove Variance Requests after the August 20, 2015 Board meeting.
4. A copy of completed request as well as documentation of SVRA determination will be returned to the owner(s).



RV Parking Space - RV1201

- ☐ Lots purchased during 2012 DCC&Rs that did not develop RV parking space

◆Tied to property will transfer with property

Obtain Grandfather Variance - Approved on case by case review of Variance Request

RV Parking Space - RV1204

- ☐ Lots that developed RV parking pad during 2012 DCC&Rs

◆Tied to property will transfer with property

Obtain Grandfather Variance - Approved on Case by Case Review of Variance Request

RV Parking Space - RV1202

- ☐ Lots purchased during 2012 DCC&Rs that did develop RV parking space

◆Tied to property will transfer with property

Obtain Grandfather Variance

RV Parking Space - RV1401

- ☐ Lots that parked RV on lot with no developed pad

◆Not Allowed

Must Remove Equipment from Lot

RV Parking Space - RV1203

- ☐ Lots that received a variance to allow RV parking

◆Tied to owner will not transfer with property

Obtain Grandfather Variance


RV Parking Space - RV1501

- ☐ New Purchase and/or Construction

◆Not Allowed

Must Remove Equipment from Lot

Garden Shed
(Less than 121 square feet on temporary foundation)



Garden Shed - GS1101

- ▣ Buildings constructed & approved Prior to 2012 DCC&Rs
- ❖ Tied to property will transfer with property

Obtain Grandfather Variance

Garden Shed - GS1201

- ▣ Buildings constructed without permit during 2012 DCC&Rs
- ❖ Tied to property will transfer with property

Obtain Grandfather Variance - Approved on Case by Case Review of Variance Request

Garden Shed - GS1102

- ▣ Buildings constructed without permit Prior to 2012 DCC&Rs
- ❖ Tied to property will transfer with property

Remove - Variance Request can be submitted to the Board of Directors - Reviewed on Case by Case basis

Garden Shed - GS1202

- ▣ Buildings constructed & approved during 2012 DCC&Rs
- ❖ Tied to property will transfer with property

Obtain Grandfather Variance

Garden Shed - GS1501

- ▣ New Construction
- ❖ Tied to property will transfer with property

Obtain Building Permit

Green Houses

- ◇ Tied to the property will transfer with property
- Existing (GH1201)
 - Obtain Grandfather Variance
- New Construction (GH1501)
 - Obtain building permit



Auxiliary Building (Permanent Foundation) - AB1202

- Buildings constructed and approved during 2012 DCC&Rs
 - ◇ Tied to property will transfer with property

Obtain Grandfather Variance

Auxiliary Building



Auxiliary Building (Permanent Foundation) - AB1101

- Buildings constructed and approved prior to 2012 DCC&Rs
 - ◇ Tied to property will transfer with property

Obtain Grandfather Variance

Auxiliary Building (Permanent Foundation) - AB1201

- Buildings constructed without permit during 2012 DCC&Rs
 - ◇ Tied to property will transfer with property

Obtain Grandfather Variance - Approved on Case by Case Basis

Auxiliary Building (Permanent Foundation) - AB1102

- Buildings constructed without permit prior to 2012 DCC&Rs
 - ◇ Tied to property will transfer with property

Obtain Grandfather Variance - Approved on Case by Case basis

Auxiliary Building
(Permanent Foundation) - AB1502

- ▣ New Construction (2015 forward)
 - ❖ Not Allowed

Auxiliary Building
(Non Permanent Foundation) - AB1103

- ▣ Buildings constructed and approved prior to 2012 DCC&Rs
 - ❖ Tied to property will transfer with property

Obtain Grandfather Variance

Auxiliary Building
(Non Permanent Foundation) - AB1203

- ▣ Buildings constructed without permit during 2012 DCC&Rs
 - ❖ Tied to owner will not transfer with property

Obtain Grandfather Variance - Approved on Case by Case Review of Variance Request

Auxiliary Building
(Non Permanent Foundation) - AB1104

- ▣ Buildings constructed without permit prior to 2012 DCC&Rs
 - ❖ Tied to property will transfer with property

Obtain Grandfather Variance - Approved on Case by Case Review of Variance Request

Auxiliary Building
(Non Permanent Foundation) - AB1204

- ▣ Buildings constructed and approved during 2012 DCC&Rs
 - ❖ Tied to property will transfer with property

Obtain Grandfather Variance

Auxiliary Building
(Non Permanent Foundation) - AB1502

- ▣ New Construction (2015 forward)
 - ❖ Not Allowed

Garages
(1 attached or under and 1 detached)
❖ Tied to the property will transfer with Property



Obtain Building Permit

Use current Town ordinance for impervious surface restriction to govern building size.

DCC&R Compliance Officer Roles

5/21/15-10/14/15

- ❑ Educate
- ❑ Communicate
- ❑ Facilitate

10/15/15 - Forward

- ❑ Standard Enforcement Procedures

**10/15 Forward -
DCC&R Enforcement
Procedures**

*Reference: SVRA Policy 1.3.3 - DCC&R
Enforcement Procedures 3/17/12*

1. Friendly Warning - 14 days to resolve
2. Notice of Violation - if not resolved in 14 days from Friendly Reminder
3. Referral for legal action if not resolved in 14 days of Notice of Violation

Boyd Siddoway stated that it would be a good idea to define everything as well as possible to develop a good set of rules to go by.

Chairman Wardle answered, will put all of this under definitions. We will continue to refine this process.

Gary Braun stated that this is a very difficult situation. Are we going to get ourselves into other lawsuits to follow when we try to enforce this process?

Chairman Wardle answered, "We will have more lawsuits regardless to what we do."

More Discussion on the legal aspects and if our attorney has been involved with this process followed.

Russ Storbo wondered if the lawsuits were because of the Barn/Silo.

Vice Chairman Denney answered that this lawsuit was because of the DCC&R's and had nothing to do with the Barn/Silo Redevelopment.

Ron Thacker wanted to know if it is the intent of this Board to recover our legal costs that will happen due to the DCC&R's. Ron Strongly suggested that the Board make it public that they will be attempting to recover legal fees in these lawsuits.

Chairman Wardle stated that we will put that in front of our legal counsel and see what we can do to recover our legal costs.

Ron Thatcher commented that a set of standards needs to be adopted when it comes to variances.

More discussion on the Grandfather Variances and setting a clear guide for everyone to follow.

Many questions were asked about sizes of the RV pads and what will be allowed because of the 2012 DCC&Rs.

Members requested a clear procedure to follow and the rules need to be published.

More discussion about whether or not we can even make a variance.

Several people speaking at once; discussion around how members will know if they need a variance or not.

Possible parking of RVs at the airstrip and that will require a vote from the members, which will need to be 2/3 of the membership voting on the issues.

B. Return to Original DCC&R Requirements

- Director Christianson made a motion to approve the 1st Reading of the Requirements to return to the Original DCC&Rs as read and presented. Secretary/Treasurer Earl seconded the motion.

Vice Chairman Denney wanted to make sure that everyone was aware that what they were voting on was the Green Sheet that was enclosed with each Election Packet.

- Vice Chairman Denney I amend the motion to say, I move that we are approving the first reading of the text on the green sheet. Director Christianson seconded the motion.

Motion passed unanimously.

C. Architectural Report: Director Christianson gave the following report:

Approved 4 permits – limited area fencing, new home, limited area fencing, and auxiliary building.

Thank you to Carolyn Thacker and Gene Root for volunteering to be on the committee.

- Director Christianson made a motion to accept an offer we have on a piece of property that we have listed. We have an offer of \$15,000.00 on Plat 1 lot 44.

Asking price was \$19,999.00.

There was a lot of discussion on where the property is located, whether or not it has water or not, size of lot, is it common area or not, how many years have we owned it that we have not received assessment on it, and the Association has had to pay property taxes on it.

Several people were all talking at once about making a counter or not.

Sheryl Manning suggested sell it and get rid of it.

Bob Manning suggested countering and seeing what comes back. The buyer may accept or could move on. Homes are selling, lots are not.

Ron Thatcher asked the Board to use their best judgement, do what is best and move on.

- Director Christianson made a motion to accept the contract as is, yes or no.
Vice Chairman Denney seconded the motion

Director Toolson-no
Director Christianson-yes
Director Meikle-no
Secretary/Treasurer-no
Chairman Wardle-no
Vice Chairman Denney-yes

Motion does not carry.

- Director Toolson made a motion that we counter offer at \$17,500.00.
Director Meikle seconded the motion.
Motion passes unanimously.
- Director Meikle made the motion to allow Chairman Wardle to make that signature.
Director Toolson seconded the motion.

- Director Toolson made a motion to remove the motion to allow Chairman Wardle to sign and amend the motion to allow Chairman Wardle to sign the paperwork and negotiate anywhere between \$15,000.00 to \$17,500.00 and allow him to sign without any further discussion with the Board.
Director Meikle seconded the motion.
Motion passes unanimously.

D. House & Entertainment Report: Chairman Wardle gave the following report:

Line Dancing – May 23rd
 Welcome Back Luau/Potluck – May 30th
 Book Review – June 9th
 Community Garage Sale – June 13th
 Line Dance, Dinner and Potluck – June 13th
 Ladies Welcome Back Luncheon – June 16th
 Property Owner's Weekend – June 27th
 (Need Volunteers to help cook hotdogs)
 Independence Celebration – July 4th
 (Volunteers needed)
 Dance Lessons and Dinner – July 11th
 Book Review – July 14th

E. Election Report: Secretary/Treasurer Earl

Ann thanked all the election committee volunteers. She then introduced the candidates that were present and thanked the candidates for running.

The first "Meet the Candidates Night" is June 13th. The second "Meet the Candidates Night" will be June 26th.

F. Golf & Greens Report

The good news is both Cedar Creek and Aspen Hills Golf Courses are open. The bad news, it needs to quit raining so people can play more.

The first Golf & Greens Committee meeting was held on May 13th with 12 returning volunteers in attendance to start a new season.

From the Golf Superintendent, Kurt Richmond, the following 2015 priority items were discussed:

- Finishing up the new ladies #2 tee box at Cedar Creek and re-establishing a par 5 status for them again.
- Working on point of contact for running water in the ditch next to, and across the #4 fairway at Cedar Creek.
- Clean up trees that were removed when the Hardman ditch was recently cleaned out.
- Finish the #9 cart path which was started last Fall.

- Build new cart path from #12 green to all #13 tee boxes.
- Finish the #13 pond renovation project with more landscaping and seeding.
- Also finishing up some cart path work on Aspen Hills from last year.

Other ongoing projects include: Finishing touches on the Jr course, spraying weeds and trees, marking both courses for "Ground Under Repair", and installation of more new yardage markers on both courses.

The irrigation system is up and running with approximately 800 gallons per minute from Green Canyon water source. Kurt is also looking at a new stop signage for cart crossings onto roads and the #9 fairway.

From our Golf Pro, Ben Whalen:

- New apparel, clubs, and other golf merchandise continues to arrive daily.
- Instruction lessons will begin shortly for Juniors, Saturday Clinics, Private lessons, and both a Ladies and Men's Driving Range Social to be held on Thursdays.
- League play has already begun for both the Ladies and Men's golf associations. The Working Man's League to start up soon, along with the Couples League beginning in June 2nd at 3:00pm. If you would like to join one or more of these leagues please stop by the Pro Shop to inquire about dates and times.

Some of the fast approaching tournaments for May & June are as follows:

- May 30th is the Wildland Firefighters Tournament
- June 19th & 20th the Mixed Moose Tournament (Old Mr. & Mrs.) "Sign up Deadline is June 1st to receive a free team practice round.
- Property Owners Tournament will be on June 26th & 27th

Also another tournament to be held on June 12th is the Star Valley Medical Center Tournament which is an invitational type tournament, but if you would like to participate contact Ben at the Pro-Shop. We could also use about 20 privately owned golf carts from our members to put this event on as we have a limited number of carts and this is an extremely large 1 day event.

Sign-ups are available for all of 2015 tournaments at the Pro-Shop.

As of May 12th the total number of rounds for this season totaled over 1000 compared to 318 rounds in 2014 & 271 in 2013.

As of yesterday the total is 1295 rounds.....Players don't like playing in down pours!!

Get out and enjoy the courses you have a vested interest in.....they have never looked better!

- Director Toolson made a motion to approve the Long Range Golf Course Maintenance Equipment Replacement Plan and the only purchase requirement for 2015, is a replacement aerator.
Vice Chairman Denney seconded the motion.

Group discussion on the spreadsheet that Kirk and Kurt developed on all the equipment on the Ranch.

Motion passed unanimously.

G. Utilities/Long Range Planning Report

Silver Star Communications has yet to submit the final easement documentation to allow installation of a buried propane tank and generator on the airstrip. Due to continued unauthorized parking of vehicles on the north end of the airstrip, the SVRA BOD will begin discussions on whether the entrance needs to be fenced with signs on the gate that require parking authorization from the Association office. A statement of work is being developed for Board consideration which will obtain a replacement survey. Issues with conflicting surveys were identified when Silver Star was developing the new easement documentation.

Development of the long range plan will continue this summer. This will include development of work scopes for revised estimates for modifications to the barn, silo, administration building, etc., and for the construction of the Member Center as currently designed or for alternative designs. Participation by SVRA membership will be requested via attendance at the Utilities committee meetings.

H. Legal & Finance Report

Director Meikle reported on Vacation Rentals by Owner. (VRBO)

Currently in the Star Valley area, from Alpine to Smoot there are 31 VRBO properties. VRBO (Vacation Rentals by Owner), a popular website that has made advertising and booking private residences for short-term rentals very convenient, at a very small cost to the land owner, about \$350 per year. Prior to sites like VRBO it was not common or feasible for private residences to rent their homes in a short-term manner due to the high advertising costs and improper zoning.

They would have to go through a more traditional means of advertising similar to a hotel to draw guests including; magazines, newspaper ads, yellow pages, tv ads, radio ads and commercial signage. Going through these avenues would be at a much higher cost and the public advertising would alert the County to consider these as commercial businesses.

Currently if a proprietor were to build a business providing lodging for short-term rentals under 31 days, they would have to be in a properly zoned area, and be required to get a conditional use permit to allow for that type of business. The County would match the

business with the best, closest definition that fit the proposed use and the land owner would go through the process of acquiring a conditional use permit to allow for the proper use.

Current County definitions include; motel, hotel, lodge, guest ranch, guest cabins, and bed and breakfast, all of these definitions allow a business to provide short-term lodging which stays for 1 month. VRBO properties have not been held to these same standards due to their incognito form of internet advertising. VRBO properties are acting in all the same capacities as other lodging facilities currently defined in Lincoln County. They are providing short-term rentals for profit in a commercial manner. Advertising through the internet has created an avenue for these businesses to fly under the radar zone.

This is a subject that the Board will explore in more detail at upcoming Board Meetings.

4. General Manager's Report: General Manager Tallia Booker gave the following report:

Account Statements: All bank accounts are reconciled for the month of April.

Assessments:

2009 Assessment Status: 9 Lots (.4%) have not paid in full.

2010 Assessment Status: 14 Lots (.7%) have not paid in full (2 foreclosures).

2011 Assessment Status: 20 Lots (1%) have not paid in full.

2012 Assessment Status: 36 Lots (1.8%) have not paid in full.

2013 Assessment Status: 50 Lots (2.5%) have not paid in full.

2014 Assessment Status: 70 Lots (3.5%) have not paid in full.

2015 Assessment Status: 225 Lots (11.2%) have not paid in full. This is slightly better than last year and 2013 for the same period. There are currently 3 foreclosures that we are aware of on the Ranch, We received one payment which reduced the delinquencies by one for each of the years above.

Business Activities: Since last month's meeting our focus at the office has been continuing the training and education of everyone at the office. I feel that we have a strong team in place to continue our commitment of customer service excellence. I have also been working with Kirk, trying to capture his knowledge of all things SVRA, to ensure a smooth transition for all members, staff, guests, and others. This week Kirk and I have toured and reviewed all facilities with Ernie, and green canyon with Kurt. Next week I will tour the golf course maintenance department, both golf courses, and get a first-hand experience of Cedar Creek Pro Shop Operations.

I would like to thank Kirk Sessions for the work he has put into the Ranch. I feel like he has done an extraordinary job getting Star Valley Ranch where it is today.

For the month of April, the allocations of Annual Assessments transferred from the Operations Checking account are:

- The transfer for Barn/Silo Redevelopment into the Restricted Account was as follows:
2014 - \$120.00 (3 lots X \$40 for each assessment paid)

Board of Directors Meeting

July 15, 2015

Page 13 of 16

2013 - \$40.00 (1 lot x \$40 for each assessment paid)
2012 - \$44.09 (1 lot x \$44.09 for each assessment paid) Total = \$204.09

These transfers result in an account balance of \$202,591.00 including accumulated interest.

- The transfer for the Major Maintenance Reserve Account was as follows:
2015 - \$3,632.08 (166 lots X \$21.88 for each assessment paid)

This transfer results in an account balance of \$34,484.81 including accumulated interest.

An overview of SVRA Financials for YTD 4/30/15 finds Gross Profit at 1.4% better than budgeted level, Expense at 3.2% less than budgeted level and Net Ordinary Income prior to Depreciation 4.6% better than budgeted level due to the early sunshine. The YTD cash assets (4/30/15 Balance Sheet) Total \$1,772,336.18. The summary of the Financials for April YTD are available on the SVRA website.

We sent our attorney 69 past due accounts for collections. He has sent out a letter to each of those accounts stating that he has been retained to collect past due annual assessments and fees. His efforts have helped to bring in close to \$10,000 in past due assessments from members that were two years or more in arrears.

The Annual Audit of SVRA Financials has been completed without a hitch. We are waiting for the final copies of the Annual Financial Reports; I expect to see them any day. Dave DeCoria with DeCoria and Company will be reviewing the results at the Annual Membership Meeting, June 27th.

DCC&R Compliance: We will be placing an ad in the Star Valley Independent next week for our DCC&R compliance officer. I expect that the officer will travel the entire Ranch each week, to help encourage voluntary compliance.

Golf Operations: Aspen Hills is currently open Monday-Thursday 9am-4pm, Friday-Sunday and Memorial Day 9am-6pm. We will expand the hours at Aspen Hills starting June 5th. Cedar Creek will be open 8am-7pm, 7 days a week. We plan to implement summer rates Friday 5/22.

Duffer's: Duffer's is now open. Ben has recruited knowledgeable, friendly bartenders to mix up your favorite cocktail. We have implemented the use of glasses for your favorite cocktail or wine. Operating hours are from 12-8 staying open later as business permits. We will expand the hours as weather and business requires.

Facilities: We are planning on opening the newly resurfaced pool this weekend Saturday-Monday and next weekend Saturday and Sunday (weather permitting) from 12-5pm. Starting June 5th the pool will be open 7 days a week 12-7pm. All other SVRA facilities are up and running for the summer season.

5. Old Business:
None

6. New Business:

None

7. For the Good of the Order: Rick Roundy's statement:

- "1. I'd like to Thank the Board and all new candidates running for the board.*
- 2. I would like to ask the board to vote, tonight on placing the Barn/Silo Redevelopment back on the agenda for next month meeting, FOR THE FOLLOWING REASONS!*

When the board has a full quorum I would like them to vote yes or no, ongoing forward with the bidding process of the B/S Redevelopment.

I stated last month the 80 grand has already been spent on B/S R., and after some research that figure is \$200,119.00. Also, we currently pay the town \$305.00 a month for the Fire Suppression Line (no water) above and beyond the culinary usage. Before we can think about another place to locate the B/S R the one on the table has to die, along with the money spent.

The Board Members, old and new need to be aware of this. There is a Fiduciary responsibility of this board to all the members on the Ranch. (These past expenditures could result in more legal action in the future).

- 3. This Board is voted in by the people, to vote for the good of the people.
SO VOTE THE WISHES OF THE PEOPLE, YOU HAVE THE AUTHORITY.*

In Brief:

*Article VIII the By-Laws of Star Valley Ranch
Article III (a) Incorporation of SVR Association
Article V DCC&Rs. Declaration of Covenants, Conditions and Restrictions (October 22, 1982 version)*

- 4. Don't drum up a reason like capital improvements, parking or earth quakes as excuses to keep on kicking the can down the road.*

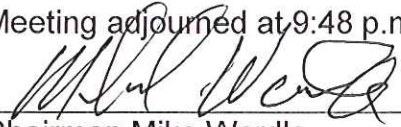
You the Board voted and had built a golf cart storage building for this project, now you need to see it to completion.

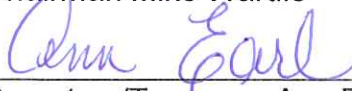
Thanks for your time."

8. Adjournment:*

- Vice Chairman Denney made a motion to adjourn.
Director Christianson seconded the motion.
Motion passed unanimously.

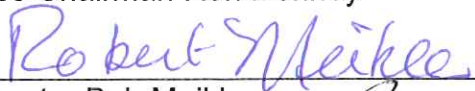
Meeting adjourned at 9:48 p.m.

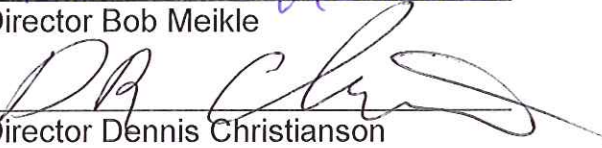

Chairman Mike Wardle


Secretary/Treasurer Ann Earl


Director George Toolson


Vice Chairman Ron Denney


Director Bob Meikle


Director Dennis Christianson