

DRAFT

**Star Valley Ranch Association
2012 Annual Membership Meeting
JUNE 23, 2012
The Barn**

In Attendance:

Jere Kovach - Chairman
Mike Blackman – Vice Chairman
Kathy Daulton - Secretary/Treasurer
Gary Braun-Director
George Toolson - Director
Derk Izatt - Director

I. The 2012 Annual Meeting was called to order at 8:02 a.m.

II. Pledge of Allegiance

The VFW presented the Colors.

Vern Bloxham led the Pledge of Allegiance said by all members present.

III. Invocation was given by Vice Chairman Mike Blackman

IV. Reading of Official Notice: Secretary/Treasurer Daulton read the following:

Notice is hereby given that the Annual Membership Meeting of the Star Valley Ranch Association, Inc., a Non-Profit Corporation, of Star Valley Ranch, Lincoln County, Wyoming, will be held at 8:00 a.m. on Saturday, June 23, 2012 in the Barn at Star Valley Ranch.

On the Agenda is the election of two (2) Directors each to a three-year (3-year) term. The 2012 Official Ballot is included with this notice and may be returned by mail in the Secretary's Ballot Proxy Envelope or may be voted in person at the SVRA office up to Friday, June 22nd at 4:00 p.m. or at the Annual Membership Meeting. Your vote is verified and cast when matched to the lots you list on the stamped Secretary's Ballot Proxy envelope. Be sure to sign your Secretary's Ballot Proxy Envelope before mailing or dropping it off at the SVRA office.

Registration for voting will begin at 7:00 a.m. on Saturday, June 23rd at the Barn. Polls will close thirty (30) minutes after the adjournment of the meeting. The Election Committee will post election results in the Barn as soon as the votes are tabulated.

ELECTION NOTICE:

Need for 30% Quorum

A 30% quorum of all members (over 500) by attendance, proxy or absentee vote is necessary in order to complete the election or conduct any official business at the Annual Membership Meeting. Although only one candidate has filed this year, it is still very important to cast your vote and add to the quorum numbers. If you abstain, your vote is also counted as part of the quorum, not for an individual.

Options for filling the open Director's position

1. Nominations shall also be accepted from the floor by petition with the required signatures thereon at the Meeting by proper nomination, i.e., nomination to be supported by at least ten (10) members in good standing.

*Star Valley Ranch Association Annual Membership Meeting Voting Procedures Section 8

Official petitions are available at the SVRA office.

“In good standing” means that a member has no outstanding assessment delinquencies, excluding interest or collection fees, or citations outstanding with the Association.
Only one owner’s signature per lot will be counted for the petition.

2. Vacancies on the Board of Directors may be filled by a majority of the remaining Directors, though less than a quorum, and each Director so elected shall hold office until his successor is elected at an Annual Meeting of members, or at a special meeting called for that purpose...If any Director tenders his resignation to the Board of Directors, the Board shall have power to elect a successor to take office at such time as the resignation shall become effective.

*By-laws of Star Valley Ranch Association Article VIII Section 4

Chairman Kovach asked for any nominations from floor for a candidate.

- Kathy Toolson nominated Ann Earl as a candidate for Board of Director.

Chairman Kovach asked that Ms. Earl’s nomination petition be verified by the Election Committee.

Chairman Kovach said, “At this time let me introduce David DeCoria of Hirschi DeCoria & Company, PC. This company has been our auditor for the past three years and has been very helpful in leading us back to sound financial practices.”

Dave Decoria, “I know that most of you do not want a long report on the financials, so I won’t spend a lot of time. I think it’s important that I report to you on the financials as of December 31, 2011. Three years ago we took over the audit. We had to issue a qualified opinion on the finances of the Association. The reason for that is there was approximately \$60,000 that we could not find, no matter how much digging we did. I know that the Association hired a forensic auditor who also concluded that there was just bad accounting.

Over the three year period, I can confidently stand in front of you today and say that the revenue, expenses, the assets, and the liabilities are good numbers. I can also say that the people that put these numbers together are also confident in these numbers.

I will point a couple things out, net assets were \$3,152,256.00. That amount is all the assets you (as an Association) have minus your liabilities. As of December 31, 2011 you had approximately \$1.1 million in cash and investments. So, you were in good shape as far as liquid assets. You had an operating loss of about \$112,000. Please remember, of that \$112,000 you had \$206,000 of depreciation expense, so that is a non-cash expense. You actually had positive cash flow from operations. The depreciation expense is an amount we estimate the value of your assets to have depreciated in the last year.

This independent audit gave an unqualified opinion. A copy of this report is available at the Association Office. This audit says where the Association stood as of December 11, 2011. An unqualified opinion means that without a qualified opinion, these are good numbers.

Finally, it’s my opinion; the reason that your numbers are good numbers is that you have had continuity with your staff. I think that gives them the ability to look at and record good numbers. I would like to commend you as an Association for keeping them around.”

V. Opening Remarks: Jere Kovach, Chairman

For the past twelve months, your board of directors has worked diligently on a host of projects. On several occasions, a turn of events has reminded us that many projects go far less smoothly than initially anticipated.

Both the Star Valley Ranch Association board and the Town of Star Valley Ranch council spent hours and hours working toward the possibility of a Community Center that would be partially financed with state grant monies. After months of effort, we were told we would not qualify for any grants.

The barn and silo complex continue to deteriorate because of a lack of maintenance. The Board is continuing its planning for a new or remodeled complex that can be used on a year round basis.

Another project that devoured hours of time from the board and many volunteer committee persons was the amending of the DCC&Rs. A detailed description of this saga was included in last year's opening remarks. This project was successful and we are currently operating under the new DCC&Rs. However, an action has been filed against the Star Valley Ranch Association by a group of members. This action is working its way through the district court. Hopefully, we will have a resolution to this conflict by the end of 2012. In the meantime we are operating under the new DCC&Rs.

The Board searched for an area on or near to Star Valley Ranch that could be used for the storage of recreational equipment that will not fit on the allotted space at your lot at a nominal cost. This search was unsuccessful. An alternative available at this time is to rent a spot in one of the two Star Valley Storage areas just off Star Valley Ranch.

Many other actions of the Board will be covered in the standing committee reports later in this meeting.

Kathy Schooner recently submitted her resignation to be effective mid-July. Kathy will be leaving Star Valley and we wish her well in her new journey. Her work has been exemplary and we thank her for all her efforts.

Kirk and his entire staff have given us a year of very strong performance. We thank all of you for your good work.

The election committee reviewed the nominating petition for Ann Earl and verified that there is in excess of the required 10 members in good standing.

Myrna Archibald seconded the motion to accept Ann Earl's petition for Board of Director. Motion passed unanimously.

We now have two candidates at this time. Ron Denney and Ann Earl.

Could I please get a count of those waiting for the meeting to adjourn to vote?

1 member raised their hand.

We are really close to having a quorum this year. Currently we are short 25 votes. We cannot do official business until we reach a quorum.

VI. Reports of Standing Committees

A. House and Entertainment-Secretary/Treasurer Kathy Daulton gave the following report:

The Mission of the Star Valley Ranch Association House and Entertainment Committee (H&E) is to have fun while creating fun by sponsoring events that are meant to entertain a majority of the residents, including children, over the course of the year. The H&E accomplishes its Mission by publishing a list of upcoming H&E events on the SVRA website and newsletter in January. The list

is always open to review and subject to change based on interest and community participation. The H&E is open to suggestions from the community. We strive to consider every idea, but may not have the resources or budget to sponsor every suggestion.

In 2011 H&E members Tallia Booker, Karen Seagraves, Megan Jenkins, Tara Wheeler and Kathy Daulton with the great help of Kirk Sessions and the SVRA office, sponsored seven events – a Winter Celebration, Easter Egg Hunt, Waterworld at Property Owner's Weekend, carnival games at the Independence Day Celebration, the first Shakespeare in the Park at SVRA, the 17th annual Arts and Crafts Festival and the Haunted Barn/Trunk or Treat at Halloween. H&E also sponsored dances at the Barn and SVRA's first Junk in the Trunk.

The members of the 2011 H&E have moved on to other interests, so we are rebuilding this year. So far in 2012 new volunteers have put on the Snowfest in March featuring our new trail system and ski and snowshoe training, the Easter Egg Hunt, and our first Art Show, a very successful collaboration among Star Valley artists, the Town of Star Valley, the Arts Council and SVRA. Our first of four 9, Dine, & Dance evenings introduced the fine catering of Deb Valdez from the Cedar Creek Grill. The June Community Cleanup and Garage Sales made us all look great and today children can enjoy the Waterworld Water Slide again in Cedar Creek Park. There is much more to come in 2012 including Hamlet on July 31st and our first home-produced dinner show in years – The Songs of Shenandoah on August 24th – 25th.

B. Utilities-Director George Toolson gave the following report:

Green Canyon de-sanding house is currently operating as it should and we have water. Thanks to Kurt Richmond and his crew for making this happen.

Green Canyon point of diversion is still ongoing. We now have the bodies in motion to complete this. We have the Town of Star Valley Ranch, Leisure Valley and Star Valley Ranch Association.

C. Golf and Greens-Director Gary Braun gave the following report:

The last two years I have sat up here and read you a rather bleak May and June Golf and Greens report during our annual Property Owners meeting. The deep snows last year, 2011, caused us to not even open until late May with rain, snow and cold weather wiping out most golfing days in May and June.

Not the case this year. A mild winter allowed us to open both our golf courses in record time, April 15th. Our superintendent, Kurt Richmond, and his staff have the courses looking great and the greens survived the winter exceptionally well. Our YTD golf rounds are well up over the last 2 years and even up 286 rounds over what has been recorded as our previously best golf season in 2009. This is our 4th year at improving our golf cart cement paths on both courses using trail fee dollars collected from golfers. We have also nearly completed our 2012 targeted cement paths which are well ahead of our previous year's performance. Also, all of the Large Tee Box Boulders on Cedar Creek have now been purchased by members and there are just a few left at Aspen Hills. These family legacy boulders are beautiful and will last for literally hundreds of years. Many of our members and their families have also purchased the new "Granite" tee box and course yardage blocks that will be installed flush with the ground. We are installing 3 to 4 of these large tee box boulders every week as they come in and the Granite tee box and course yardage markers you will start to see next month. If you have not purchased and are interested in purchasing one of these legacy boulders or granite blocks please contact the office.

Over the winter the Golf and Greens Committee totally updated and rewrote the Golf Operations Policies with the Board providing the final review and approval earlier this spring. A Big Thank You to our General Manager Kirk Sessions for all his efforts on this needed task.

We will be working later this year to mark out “Junior Tee Boxes” at Aspen Hills to provide our youth members and junior guests a course they can learn on and also score better. Youth 16 years and under can play free if accompanied by a paying adult, any time of any day. So try to give your children and grandkids some quality time on our golf courses this year.

The 9 hole couples golf mixer has been brought back to life every Tuesday at 3 p.m. This is a fun, no stress golf event geared at any level of golfer followed by Taco night, right here in the Barn, starting about 5 p.m. for anyone and everyone. The Bar also has a drink special during taco night every Tuesday. Both the Men and Ladies Golf Leagues are in full swing.

Property Owners Weekend is for all our Property Owners and their immediate families to enjoy this beautiful place, your two golf Courses, Swimming Pool and Tennis Courts. Please plan to use this Friday and Saturday every year to enjoy these recreational facilities “free” of charge with your families.

Last but not least we are very excited to open up our new extended length and elevated tee box driving range. The grass sod will arrive next Tuesday morning and the men’s Golf League volunteers will help lay it down along with the pavilion sod. 500 dozen yellow limited flight, 80% compression golf balls are now here and animal silhouettes will be here later this month for targets. The walking path was poured Thursday to the new range. Our target date to open the new range is still July 4th. Many thanks to Kurt Richmond and his crew, to Boyd Siddoway, Warren Webb and the Town of Star Valley Ranch for a “lot” of dirt and to the Board of Directors who supported and approved the project late last year.

On a personal note, as I end my Board of Directors term, the last 3 years have been a mix of emotions for me. I’ve met a lot of great members and tried to listen hard to what they each had to say. At times these 3 years were a little frustrating, but they were always challenging and even sometimes very enjoyable followed by brief moments of sheer terror.

I’d like to thank each of the Golf and Greens Committee members for “all” their support and work. Also, working closely with most of the Associations employees, I do believe we have one of the strongest General Managers and best overall staff this Association has had in a long, long time. It has also been very enjoyable working with the current Board. Although we did not always agree on everything, we all did listen and tried to do what we all felt was best for this Association and its long term success. Good Luck and God bless you all.

D. Finance & Legal - Chairman, Jere Kovach gave the following report:

Dave DeCoria reported on the Finance side of this report.

On the legal side, Jim Sanderson, of Sanderson Law Office, continues to be Counsel for the SVRA. Over the past twelve months Jim has helped us with the following:

- We filed the amended DCCRs with Lincoln County.
- We continued the collection efforts on delinquent assessments.
- We are fully engaged in responding to the DCCR action filed.
- We respond when members fail to comply with SVRA policies.

Finally, I would like to thank Kirk for all the effort he has put into the budgeting process and all his ongoing work to keep SVRA operating in a financially prudent way.

E. Architectural Committee – Vice Chairman Mike Blackman gave the following report:

Since the May Board meeting the Architectural Board approved 9 construction permits consisting of 3 fences, one utility shed, 1 detached garage, and 4 miscellaneous projects. There were also 3 variances to the RV parking requirements and 1 RV parking variance denied. For the year to date there have been 11 permits issued and 1 denied.

For the one year period since the last Annual meeting the Architectural board has approved a total of 31 permits and denied 4 permit applications. The breakdown of the approved permits is as follows:

New Homes: 4
Fences: 6
Garages: 4
Utility Sheds: 4
Other Miscellaneous: 8
RV Parking Variances: 5

The denied permits include 3 fences and 1 RV variance.

Secretary/Treasurer Kathy Daulton made the following comments.

Two of our members will be leaving the board this year after three years of steadfast service to the Association:

As Finance and Legal Chair, Jere Kovach has been instrumental in investigating and improving SVRA's financial practices. As Board chair, he has led us to move forward on long hoped for infrastructure improvements like a year-round facility and to redefine the legal use of several SVRA-owned lots to common area for the enjoyment of our entire community.

In addition, I will add my personal thanks for his counsel as legal chair during the DCC&R revisions process and his guidance and that of Al Redlin throughout this year's election process.

Gary Braun has chaired the Golf and Greens Committee for three years. He has championed innovations such as the beautiful carved boulders that will mark each of the holes and the changes that you see happening to the driving range area, making it more beautiful, effective, and safe.

Jere will continue to serve as a member of the Finance and Legal Committee and Gary will watch over the golf course while playing it as much as possible! Our thanks to both these retiring board members.

Director Toolson:

Jackson Hole Security started as of March 31st, a preliminary view of the people not in compliance of the DCC&Rs. They stopped to talk to members to help get people into compliance. Through these conversations with people, several people cleaned up their lots and came into compliance.

June 1st was to be the day written reminders were to begin. On May 30th, Jackson Hole Security, due to their own staffing problems, pulled out of the agreement with Star Valley Ranch Association. We are now in negotiations with another security firm to pick up where Jackson Hole Security left off. This firm is Bud Hill Security, based out of Teton. Bud does a lot of DCC&R enforcement in the Jackson Hole area. Soon you will see his vehicle patrolling the Ranch.

This Board is determined to get the Ranch cleaned up and in compliance with the new DCC&Rs.

VII. Introduction Of Candidates For The Board Of Directors

Ann Earl & Ron Denney are both running for a Board of Directors position.

Chairman Kovach stated that we are short 25 votes from a quorum. He then read a sentence from Robert Rules of Order: "The only action that can legally be taken in the absence of a quorum is to fix the time in which to adjourn, to adjourn, recess, or take measures to obtain a quorum." So we are going to take measures to obtain a quorum. We are going to recess this meeting until 1:00 p.m. we would appreciate help from any of you that can, to help us obtain proxies. When we reconvene at 1:00 p.m., if we have 25 more proxies, we can have our normal election, and have Board members for 3 years. If we don't have 25 more proxies, the Board has the option to appoint these two people to the Board for a 1 year term. That would mean next year we would need to have 4-5 people run for the Board. Having said that we are in recess until 1:00 p.m.

Chairman Kovach reconvened the meeting at 1:00 p.m.

VIII. Report of Number in Attendance, Present in Person or by Proxy to Determine a Quorum:

Election Chairman Sue Johnston reported that there is a quorum with 555.

IX. Reading of Minutes of June 26, 2010 Annual Meeting and approval of same:

- Member, Jim Chumley made the following motion: I move that we accept the minutes as mailed. Ed Koch seconded the motion. Motion passed unanimously.

X. Adjournment

- Joe Angelovic moved to adjourn the meeting. Kathy Daulton seconded the motion. Motion passes unanimously.

Meeting was adjourned at 1:02 p.m.

XI. Announcements

The voting polls will close at 1:32 p.m.