

Spring Creek Homeowners Association
Minutes of Director's Meeting held
on March 20, 2020

The a meeting of directors of the HOA was held at the conference room of the Ranch House at Spring Creek Ranch in Jackson, Wyoming on March 20, 2020 at 10:00am mst.

Directors Steve Price, Paul Pescatello, Marc Segal, George Kallop, and Stuart Lang were present personally or by phone. A **quorum** was present.

Others persons present by phone or personally were Derek Goodson, Michael Lehmann, Bob Wood, Clay Cook, Nancy Oppenheim, Scott Segal, Dean Janke, Jackson Brandenburg, Carter Ohlmann, Patricia Price and the HOA's attorney Frank Hess.

The meeting started at 10:00am, but was delayed by technical phone issues and got underway at 10:00am mst.

Approval of minutes was deferred. Only the minutes of the Annual Meeting were received by the Board the previous day. Approval of the draft will be made by email. The actual approval will occur at the October 2020 Annual Meeting.

The agenda was adjusted so that Michael Lehmann could give an overview of the Wildfire Defense Plan. The greatest threat is a wildfire coming up from Spring Gulch. Safe spaces were described as the Ranch House, the Stables area, and the parking area by the hotel rooms. Only the main road is to be used for evacuation. The work road should not be used. Vegetation on either side of the main road should be cut back. Multiple ways to provide notification to homeowners and guests including Nixle, similar notification systems for SCR, broadcast calls, and siren. Michael and Marc met with various Teton County officials to review the HOA's efforts on two occasions to get direction and to acknowledgement that the plan is proceeding correctly. George thanked Michael for the substantial progress and effort he has put in, and Marc for his input too, and asked the Board for comments.

Marc commented that he wanted to emphasize that knowing who is on the butte is imperative to the plan's success. George concurred. Stephen thanked Michael for his efforts and asked about the contact with Y2 Consultants. Stuart also thanked Michael. Derek echoed the other comments and also recognized Linda Taylor.

Next, Bob Wood gave an overview of the HOA's investments. Bob reviewed the effort or concept of the HOA purchasing "puts" in light of the market volatility indicating that this approach was not practical. Currently, the fund has 57% equities and down to a balance of \$1,441,000, which is down \$278,000. Working with Derek, some equities were sold at a loss to offset previously realized capital gains saving the HOA taxes on \$90,000 of income. Derek commented that the strategy was shared with the Finance Committee, and that in particular Duncan Goldie-Morrison concurred with the direction. George asked about the various sector and index funds. George indicated that maintaining about 50% equities seemed appropriate especially given that there is no liquidity issues in the near future. Marc, Paul, Stuart and Stephen concurred. No others commented.

Derek proceeded with the Treasurer's Report outlining cash and Fidelity balances, and general operating and site operating results noting particular the snow removal costs from one the snowiest January's in history. Reserve costs were also reviewed noting that the Standing Bear was paid \$85,000 for Harvest Dance decking in February in addition to a similar amount in January, and that \$7,000 was paid settle a Spirit Dance water damage claim. Estimated fund balances are Project Common \$300,000, Spirit Dance \$760,000 and Harvest Dance \$380,000. There were no questions from the Board or others.

Derek provided an update on insurance. In particular, Travelers is exiting the markets where the wildfire risk is high. The HOA's new agent, Associates of Glens Falls is already shopping for a new carrier in the event that the HOA is non-renewed.

Marc gave an overview of the auditor situation, including an overview of a settlement effort. A major issue is that Thompson Palmer is the only local CPA that prepares audits. The nearest firm is in Cheyenne, and possibly one

in Idaho Falls. Marc and Derek will meet with Thompson Palmer to reach a settlement. The consensus is that Marc and Derek do the best to get a settlement proposal as good as possible for the Board to review and approve.

Tom Taylor informed the Board of a concerning approach that the County Planning Department is now utilizing regarding lot lines for townhouses. The County is now recognizing the building footprint as the lot line and no longer the Site boundary. The result is that no protrusions are allowed beyond the building footprint and limited common space lines. The only recourse is to appeal to the County Commissioners. The HOA is now having to live with this bureaucrat's decision.

Jackson Brandenburg gave an update on the Harvest Dance project. Staining will occur in the spring/summer. Sliders replacement will also start in the shortly with lower Harvest Dance first and then, Upper harvest Dance. A few new lights will be necessary. Paving of the path in Upper Harvest Dance is still planned. All water supply lines are in the process of being replaced with stainless steel lines to prevent future failures. Paul Pescatello asked whether the water supply lines are an HOA responsibility. Derek explained that this is an insurance issue in that a failure in one can impact all. With the Spirit Dance townhouses, a schedule of replacement values is being prepared so that an assessment of values and timing can be established.

The subject of financing townhouse improvements was raised again. A term sheet and liability issues needs to be established. One bank will provide the funds with a 10 year loan, 15 year term and with any homeowner being able to pay their share at any time. Options are to accumulate funds over a long time, special assessment or borrow. Borrowing would need approval of the respective Sites.

A brief discussion about ski area shuttles ensued about equipment and utilization. Stephen reminded all of the principles behind the shuttle and that SCR staff always wanting please all homeowners and guests. The latter not wanting to tell homeowners that they have to wait until the next shuttle, especially last minute requests.

Stephen provided an update of the construction of Well #3. Construction is almost complete. Loan with the state was extended. Pump House #2 is going to have modifications to make it much more fire resistant with metal roof and cinder block sides. Road work will start as weather permits. Chip sealing is scheduled for July or August. No questions or comments.

Derek outlined the terms and aspects of the Spectrum deal reminding all that this project started with an effort to improve internet service for the butte. The arrangement is that the HOA contracts with Spectrum to provide a community system for about \$52/month with an annual escalator. Retail value is about \$120/month. These terms are confidential and all on the call acknowledged. Included are three set top boxes, internet modems and routers, cable server and Ultra internet service. The latter is Spectrum's fastest residential service. Existing Spectrum customers should be relatively straightforward. For townhouse, equipment will need to be replaced. Spectrum also pays the HOA \$13,000 to cover costs of the conversion. Frank has reviewed the contracts.

The Marc made motion and Stuart seconded to approve the Spectrum contract as presented and was approved unanimously.

George reviewed the dog policy previously circulated to the Board and reviewed by Frank Hess. The main aspects of this new policy is to require homeowners to provide, evidence of need for a service/support, vet certificate and airline documents. The intent is to follow existing Federal and State laws to control inappropriate dogs at SCR.

The Marc made motion and Stuart seconded to approve and adopt the Dog Policy as presented and was approved unanimously.

George introduced the topic of residential and townhouse occupancy, and that the Board is working on developing these rules and regulations. The main focus is to make that the HOA knows who is on the Butte and any time. For especially the townhomes, make sure that the HOA has keys and access to these units in case of emergency. Other items to be included will be grills on decks, snow shovel and removal, variety of regulations regarding renters or tenants. Regarding the latter, the HOA believes that all guest should

check in with the HOA and verify the number of occupants, as well as setting occupancy limitations. The HOA will look to SCRMC to assist with the compliance and will receive a per diem for these services to be assessed to the homeowner. George indicated that this is a work in progress, and the completion is expected in the near future. There were no comments or questions from those present.

Marc asked question about how to inform homeowners about the various regulations discussed today. The rules and regulations will be posted on the website, they will be emailed and perhaps, some would get personal phone calls.

George raised the need to appoint members of the Architectural Committee to be appointed as officers for insurance purposes. Marc raised the question about the Finance Committee and Vision Committee. Since the members of these committees do not have decision making authority and as such are different than the Architectural Committee. A discussion ensued about the various needs and other individuals. Both Derek and Bob Wood are already Assistant Treasurers. The motion was to approve the resolution making all members of the Architectural Committee, and the Board officers.

The Marc made motion and Stuart seconded to approve and adopt the resolution appointing officers as presented, and to get a list of members of other committees and with unanimous consent appoint those individuals as Vice Presidents. The motion was approved unanimously.

George opened the floor for new business.

Stephen outlined that with the pandemic, much has changed. SCRMC has laid off numerous staff, and outlined security concerns. With fewer staff and eyes on the property during the day and at night, more homeowners on property, lots of unemployed in the town and county and requests for more security, Stephen suggested that a second person be added for the nighttime. When asked about the cost, the estimate was about \$7,000 to \$10,000 per month. Stuart asked what this other person would do. Derek responded that it would just be a second person on property at night. George understands the need and thinks the cost is justified. Stuart asked to be

included with the reports. Without objection, the Board approved the expense.

Marc Segal addressed the need stemming from homeowner and their guests violating existing rules and the HOA having no enforcement mechanism. He cited examples of unauthorized locks, advertisements, trash and items left by front doors. Marc wanted to request a fine of \$150 per incident per day plus costs. George asked Frank for his counsel. Frank suggested a schedule of fines. George commented that the pending regulations specify a \$250, and that there should be only one amount. Marc accepted that he was ok with \$250.

George outlined a motion that would fine homeowners for violations of the existing rules, regulations and CC&Rs, and would become effective after April 1, 2020 coinciding with the adoption of new rules. Without objection, the motion was approved.

Scott Segal commented that he appreciates the effort of the HOA and especially the snow removal and efforts to replace water supply valves. The last comment related to the dog regulations and to make sure that they have been reviewed by counsel and that conform to Federal and State laws. The concern was that the HOA does not violate any civil rights.