

Spring Creek Homeowners Association
Minutes of Directors' Meeting
July 7, 2021

A Meeting of the Spring Creek Homeowners Association Board of Directors was held in the Sage West Conference room of the Ranch House at Spring Creek Ranch in Jackson, Wyoming on July 7, 2021, commencing at 2:00 p.m. MDT.

Directors Stuart Lang, Steven Price, Marc Segal, and George Kallop were present in person or by phone.

Several Spring Creek Ranch Owners attended the meeting in person and by telephone conference.

I. Call to Order. George Kallop called the meeting to order at 2:01 p.m. Roll call was taken by George Kallop; all Board members with the exception of Paul Pescatello were present, and a quorum was established.

II. Approval of Minutes. Upon motion duly made and seconded, the minutes of the Board of Directors meeting held on March 17, 2021 were unanimously approved.

III. Committee and Operating Reports

A. Finance Committee.

1. Treasurer's Report (Including Investment Status and Reserve Funding):

Mr. Segal provided a Treasurer's report. Mr. Segal reported there is approximately \$506,000.00 in the Spring Creek Ranch operating account. Requirements and expenses for the coming year are fully funded. Investments have been properly adjusted to diversify investments (all through Fidelity Investments). Cash is protected with a combination of investments to allow for growth and also to protect against slips in the market.

Given current status of accounting, no assets need to be liquidated for the coming year. One owner noted that the Harvest Dance reserve account is getting very low and inquired about the same. Reserve funding procedures were explained by Mr. Segal.

2. Insurance Update: Mr. Goodson provided an insurance update. The SCR insurance program continues to piggy-back on the SCRMC policy through the Resort Hotel Association program (RHA). This program provides insurance to major resorts throughout the country, and Spring Creek Ranch was able to get coverage because of relationship with SCRMC. Property coverage renewed in March and is set through March of 2022. Liability insurance just renewed, and is valid until June 2022. Rates were up approximately 20% this year, and the premiums were adjusted accordingly. Mr. Goodson noted that one of the main benefits of the

RHA program is that insurance is expected to renew without difficulty, and coverage is consistent at attractive rates. D&O coverage is expected to timely renewed.

3. Audit. The annual audit is in process with Thompson Palmer.

B. Architectural Committee. Mr. Taylor reported on Architectural Committee activity. There is quite a bit of construction going on, which is impactful and not ideal, but is expected to continue. The Architectural Committee is making concerted efforts to communicate better and more frequently with builders, which seems to be helping to address violations related to construction. At its last meeting, the Architectural Committee approved additional changes to Guidelines to the Architectural Guidelines to “clean things up.” The dates during which construction is permitted to occur have been adjusted. The revised Guidelines were also amended to address Teton County’s recent decision prohibiting shake shingle roofs in certain areas of the County, including at Spring Creek, that are at a higher risk for fire. The roof amendment (needed to respond to the County’s revised regulations) will allow metal roofs, following guidelines already in place for other exterior materials. The Architectural Committee approved a request by Jerry Johnson’s group to do a more complete renovation of hotel units and the Granary Restaurant. Renovations will be a substantial upgrade from what was previously planned, and Committee was pleased with the proposal. The hotel and the Granary expected to open next year. Further discussion by the Board regarding the Jerry Johnson project proposals ensued.

C. SCRISD. Mr. Price reported that the SCISD has completed work on Well No. 2. Other ISD expenses this past year include fixing the pump at the Lift Station. Other projects that the ISD is considering include work to Pump Station No. 2, which is the only pump station at risk to be compromised in a fire. The ISD is looking into a metal roof for that building and a fire wall. The sage removal project has been difficult but is going well, and additional tree cutting is occurring to prevent fire from spreading in event of a wildland fire. Mr. Price stated that other than the pump station project, funds are being put aside for road chip sealing project. Inquiry was made regarding whether repeated chip sealing is a good long-term solution. Derek Goodson advised that Bob Norton (of Nelson Engineering) has approved long term plans that will preserve roads but not require any large one-time expenditures in the upcoming years. Reserves are being put aside for the roads, and District has the ability to borrow funds if needed for road repairs. There was discussion regarding available funds for infrastructure needs of water system.

IV. Old and New Business

A. Wildfire Defense Planning. The Board has commissioned a comprehensive study of wildfire defenses with Y2 Consultants. Study is posted on website under Emergency Planning Documents and an e-copy will be sent to all residents. The study was recently presented to the Board and others to discuss the proposed action plan, which includes extending the “green strips”; fire prevention techniques such as clearing evergreens, etc. Recommendations are also for all residents to sign up for Teton County’s local alert system. The study recommended reviewing the fire hydrant system to determine if it is sufficient to address multi-structure fires.

Tom Taylor noted that the County is under the impression that the system at Spring Creek is less adequate than it actually is. Discussion followed by the Board that it may be helpful to conduct a study that details the flow rate for the hydrants. There is good excess capacity and the aquifer is “limitless.” Extended follow-up discussion occurred on how to best and most comprehensively address fire risk for owners and guests. Stephen Price emphasized the importance of knowing what guests are on site at all time.

B. Harvest Dance and Spirit Dance Renovation Projects. Mr. Price reported that the Spirit Dance roof project has moved forward. The roofs have a masonry layer under the wood shingles for added fire resistance, but wood shingles will not be approved moving forward. Good savings were realized by buying the roofing materials a year ago. Upper Harvest Dance project of finishing sliders and back doors will commence in fall and funding is in place.

Mr. Segal stated that HOA is underfunded to address the fact that things “wear out” after a certain number of years. The budget has not yet been established for costs or replacement and maintenance as the facilities age. The Board has found a way to obtain a loan for project financing that would be funded by each sub-project’s assessment revenue and not the responsibility of the HOA). If there was a deficiency, a lien could be placed on only the units taking the loan. The loan process for Harvest Dance was described in further detail, and it was noted that the loans provide flexibility. The structure for the proposed loan for the Harvest Dance renovation project is 10-year maturity, 15-year amortization. Mr. Segal advised that the Harvest Dance units are planning to meet to have a vote and follow up with a document to be entered into with the lender if the loan is approved. If the loan turned down, then projects will need to be financed with a special assessment. A summary of the work needed was discussed. In addition to windows, siding and doors for Harvest Dance, it was noted that failure is also being identified in insulation and siding, and putting stress on the structures. Mr. Segal talked about the need to ensure construction practices must be correct and sound. There was further discussion that after repayment of loans, a sinking fund could be established to grow at a level that ensures funds are available for future projects. Mr. Kallop emphasized that whether or not to move forward with the loan is a decision for the Harvest Dance Owners. A spreadsheet showing funding out for 10 years, including capital call, loan, or paying via escalating assessments, etc. has been drafted that will allow decision making to be based on accurate costs. But ultimately the HOA will not be financially responsible and the loan will be a Harvest Dance obligation. The Board provided confirmation that there is no change to the proposed plans for the renovations to the units.

There was a Motion for Board to pursue plan to move forward with the Harvest Dance owners to allow those unit owners to vote on whether to move forward with the loan. Motion seconded and passed unanimously.

D. Reserve Accounts. There was a discussion of existing reserve accounts. Currently there are four reserve accounts. (totaling approx. 760K). There was discussion by the Board as to how funds are maintained and how much money should be kept in reserves at all times. It was discussed that whether accounts should be increased depends on projection for projects. Concern was expressed that reserve accounts are getting too low, and question of what should

be done to bolster reserve funds. Historically assessments were lower than they should be, and when projects need to be undertaken there is a “reserve study”. George Kallop recommended that a reserve study for the common area is needed to decide best steps moving forward. Goal is to address each of the reserve sub-accounts to determine needs.

E. Surveillance Cameras. It was decided at past meeting that surveillance cameras would not be allowed, but it may be useful to look at the “Ring” doorbell system. Stephen Price advised that these types of cameras can be problematic for a resort community where there are numerous rentals. Matter was tabled and attorney was requested to research legal issues associated with use of Ring system and to ensure decision by Board complies with CCRs and applicable laws.

F. Real Estate Transfer Fee. This topic was deferred for discussion at a future date.

G. Granary Proposal. Tom Taylor advised he will keep Board in the loop.

V. Other Business:

A. Use of Upper Harvest Dance Road. George Kallop raised concerns regarding the use of the top of Upper Harvest Dance Road (HD Road) at top of the Butte. Mr. Kallop advised that there are an extensive number of signs and barriers on this portion of road. Signs incorrectly state that upper reaches of HD Road are private property, and include language that state “No Trespassing”, and “Turn Around Here.” There is also a security vehicle stationed in this area regularly. Mr. Kallop went on to explain that the Board has received reports about disputes along the road between owners and people using the road which are concerning. It was clarified that all homeowners and their guests are allowed to use this stretch of road, as all roads within Spring Creek Ranch are for the use of all owners.

Stephen Price provided history regarding the use of this area of road, advising that for 30 years security has been stationed on hill because it is strategic point where security personnel can see everything, and there is already a maintenance person around the Ranch House. The barrier by West Wolf Drive was erected because it was being used as a turnaround. Historically, Spring Creek Management staff have taken photos of the license plates of members of the public using the road, and the Sheriff’s Office has been willing to go to the car owner’s house and tell people they are on private property without permission. There is an ongoing problem with cyclists in this area.

One owner at the meeting advised that he lives along this section of road and does not like the signs as they are threatening and menacing. There was discussion of an owner’s family member who was harassed by an owner on the road, and the family member is no longer willing to walk on HD Road as a result. All present agreed that this was unacceptable.

The discussion turned to address the two main concerns (1) how to prevent members of the public from using the road while at the same time welcoming owners and their guests to use the

road appropriately (which does not include peering in windows of homes, etc.) ; and (2) how to prevent owners along this stretch of road harassing persons using this road. It was emphasized that harassment of others runs contrary to spirit of SCR.

Solutions to the above-described issues were discussed by the Board, with input from owners at the meeting were as follows:

- Remove one of the barricades, leaving one in place
- Change signage to state “Homeowners and Registered Guests Only”
- Board to notify all SCR owners that harassing people on road is not allowed
- Using the Ranch House as more of a control point for access

Board agreed to look into modified signage and removing one of the barricades, to draft a letter to homeowners regarding treatment of users of the road, and to report back at the next Board meeting.

VII. Adjournment.

Upon motion duly made, seconded and unanimously passed, the Board meeting was adjourned at 4:07PM. (The next Board meeting is scheduled for September 22, 2021 at 2 PM MDT.)