

SPRING CREEK HOMEOWNER ASSOCIATION
Annual Meeting Minutes
October 2nd, 2010

Date: October 2, 2010
Time: 9:00 AM MST
Location: Sage West Ballroom, Spring Creek Ranch, Jackson, Wyoming

I. Open meeting and establish quorum

A. Jim Byrne called the meeting to order at 9:30 AM MST.

Jim welcomed the Homeowners to our Annual Meeting.

What an unbelievable fall we have this year.

The Spring Creek Rancheros; Bill Adams, Chris Knowlton, Bob Woods, and Ev Trout were in the One Fly Contest this year! Our Rancheros came in 28th out of 45.

Roll call was taken and Sharon Kuehn, Homeowners Association Secretary, confirmed the presence of a quorum.

The following officers and special guests were in attendance and introduced by Jim:

Directors: Jim Byrne
Stuart Campbell
Stephen Price

Officers: Derek Goodson, HOA Assistant Treasurer
Sharon Kuehn, HOA Secretary

SCR Management Co.: Kathi Davis, Controller

A. Agenda Review

II. Introductions

Jim Byrne recognized and thanked the following:

The Architectural Committee: Florence Lemle, Ron Harris, Tom Taylor (Chair), George Kallop, and Kent Van Riper.

Board Members Stephen Price and Hank Stifel, and a special thanks to Peter Fayerman for an unbelievable job over this past year.

The Audit and Finance Committee: Abe Suydam, Ron Harris, Adam Mayberly, Bob Pisano, David Conine (Chairman), and Derek Goodson.

Thank you to Sharon Kuehn in her new position as Homeowner Association Secretary, and for your hard work with the several different jobs you have here as Personnel Director and Executive Assistant to Stephen and Derek.

Thank you to all of the homeowners for their support, and feedback.

Thank you Frank Hess for all of your contributions throughout the year.

Also would like to acknowledge to Bill Short and his assistance with Lot 5.

A special thanks to Derek Goodson and Kathi Davis for their continued hard work month in and month out.

A heart felt thank you to all of the Board and Committee Members for the commitment to Spring Creek Ranch and you are very much appreciated.

Tom Taylor stood and thanked the Board and A/C for their hard work and deep appreciation.

Mike Hammer presented how Spring Creek Ranch was created and developed beginning in 1981.

David Conine thanked Jim & Sally Byrne for their contributions to the community and to all of us at Spring Creek Ranch. Jim was key with settling lot 5 and his time and efforts are very much appreciated.

In appreciation for Jim's dedication and hard work for us he was presented with a Spring Creek Ranch Racing Bicycle suit. THANK YOU JIM!!

III Approval of Minutes for October 3, 2009 Annual Meeting

Request from Abe Suydam to change the date that he and his wife Ann have been homeowners at Spring Creek Ranch since 1982.

Motion to approve the Annual Minutes with correction noted:

Motion/2nd/U

IV Confirmations and Annual Elections for 2010/11

A. Voting Procedure Discussion

B. Three seats are open for the Homeowner Association Board, each for a two-year term. Stephen Price, Stuart Campbell, and Ron Harris have been nominated.

Stuart is traveling and unable to attend. Hank Stifel is also unable to attend.
President Byrne asked for nominations from the floor – there were none.

Motion that the nominations for the Board be closed, 2nd/U

Motion to elect by reclamation, 2nd/U

C. There is one seat open for the Architectural Committee. Tom Taylor has been nominated.

Any nominations from the floor, none and nominations have been closed

Motion that the nominations be closed, 2nd/U

Motion to elect by reclamation, 2nd/U

Confirmations: The seats as members of the Architectural Committee held by George Kallop and Ron Harris was open for confirmation for a second-year term. Mr. Kallop and Mr. Harris were confirmed for a second-year term.

Jim mentioned that Pete & Janet Hoglund are not here due to health issues. They wish they could be here and wish them the best in health.

Three homeowners have passed away and we would like to express our sympathy to their families.

Jerry Handler
Kathy Valenta
Deweena Powell

V. SCHOA Manager Reports

Property Management report by Stephen Price:

Stephen gave a review of the rental program. All of this was covered in detail on Friday afternoon's meeting.

Overall we had a great year,

Stephen opened his report stating that operations have gone smoothly through the year. We have controlled costs where is possible. Our staff is making winter preparations. Staining of Upper Harvest Dance is scheduled for October and November.

We met with the Land Trust and we received good marks. Need better communication with our horse trails. Also, property surrounding Amangani lots.

We have some tree issues that are maturing and causing concern to our view corridors. We have met with some folks for new programs managing trees. This issue will be addressed by our new Board.

Spirit Dance sliders have all been replaced.

Water system was checked for leaks and there were two small ones found close to the fire hydrant, and those are scheduled to be repaired.

On our water system there will be information available shortly for everyone. We have two pumps, a 400 gpm and an 800 gpm. We were concerned at this time last year. Both pumps are working and have protected electrical systems. We have had the situation evaluated by Nelson Engineering. The water system is in good shape. We are looking at upgrading the system over time.

Irrigation projects will be finished once Harvest Dance is completed.

We have accepted a bid for snow plowing.

Third Thursdays have been very successful, and thank you to those of you that have attended.

Jim reported the water system report was reviewed yesterday. The study is available and we received great remarks. Kent Van Riper also reviewed the report and concluded that we received great remarks on the study.

VI Committee and other Reports

A.

1. Treasurer report by Derek Goodson:

The state of the Association is sound. We have approximately \$130,000.00 in cash reserve, and approximately \$1,800, 000.00 in our Merrill Lynch account.

Reserve expenses, \$277,000.00 spent. As mentioned by Stephen we spent reserve funds

Oiling units
Water study
Water System
Spirit Dance sliders
Irrigation
Misc expenses

All project sites are looking to be under budget, or right at budget. Timing is part of the under budgets. We received a large credit from the Town of Jackson for over charges on our sewer. Insurance policies came in at better rates.

Insurance on the units, and the Association premiums will come in close to the same as it has in the past. Rates are very low and

Insurance resolutions. The CC&R's specify that the Association replace the HD & SD to the unfinished sheetrock of the buildings. The homeowner is responsible for the unfinished sheetrock in. Some of the homeowners have not covered for appliances, cabinets, etc. We feel it is important that a resolution is renewed by resolution every year to raise the awareness to the homeowners.

Annual Financial Statement was reviewed was completed by Thompson Palmer & Associates, and reviewed by the Board. It is posted on our web site for those of you that would like to review it.

The Improvement District the entity is essentially dormant. Together with Frank Hess, and Ron Harris we have brought the District active to assist with replacing the current water system. With the recent water study and concerns we had last year we realized that we need to update our system. The State of Wyoming provides a 2% loan for water improvement systems. We may have to do something sooner rather than later and we began to get everything in order if we need to borrow funds. At this time we are checking bylaws and regulations to make sure we are current. At some point we will present Bylaws and Rules & Regulations to the Community to vote on.

The Finance Committee communicates frequently and meet four times a year. The budgets and financial statements are sent to the Board. We have received and review , and accepted the 2009 Financial Statement. We just finished through August. We also reviewed the performance fund that Abe manages along with Dave Decker at Merrill Lynch.

Lot 5 is no longer an issue, and we will go into this issue later in the meeting.

Reviewed a draft of the 2011 budget and expenditures and has been sent to the new Board for approval. Reserve study was addressed and inventoried.

The owners of Harvest Dance and Spirit Dance have had difficulty financing condominium units. They are not considered town homes. Wells Fargo Bank will now finance our Harvest Dance and SD units. We may need to change the language of Declaration of Condominiums.

Invest Portfolio by Abe Suydam:

We Oct. 1 thru 9.28 we are up 10.2%, regarding 10 years we are up over 7%.

Insurance - what is covered and what is not. Derek did a great job reviewing what is covered and what is not. The best way to think of what you need to insure is, "if you can take it with you, you need to insure it". The rest is insured by the Homeowners Association Insurance policy. Upgraded fixtures should be

included in your personal insurance. The Association insurance covers from the outside to the unfinished sheetrock. Any questions may be directed to Derek Goodson or Abe Suydam.

We have earthquake insurance with a \$10,000.00 deductible.

2. Resolution regarding Transfer of Excess Funds:

Motion to adopt the following, customary Resolution:

This resolution is intended to apply any excess from 2010 against the assessments of 2011.

This resolution will be presented in future years.

WHEREAS the Spring Creek Homeowner's Association is a Wyoming Corporation duly organized and existing under the laws of the State of Wyoming and

WHEREAS the members hereby adopt the following resolution by and on behalf of the Spring Creek Homeowner's Association

RESOLVED, that any amounts collected by or paid to the Association in excess of operating expenses for the year ended December 31, 2010 shall be applied against the assessments of 2011 as provided by the guidelines established by IRS Section 118 and Revenue Rulings 70-604, 1970-2 C.B. 9.

M/S/U

3. Resolution for Harvest Dance acting as the Board of Directors continue the following re

Whereas the Board of D for the subdivision HOA HD and subdivision condo renew and continue fire insurance for the condominiums and site common area and extended coverage. Amended and restated CC&'Rs with respect to all condominium units.

A. Master or blanket fire insurance policy be purchased by the Board for the subdivision naming the Board as the Insured as trustee for the benefit of all owners of the subdivision.

B. That such insurance shall cover the structure, structural elements, and utilities extending from the exterior of the building to the interior of the surface of the unfinished sheetrock, or equivalent and floors.

C. That all property on the premises will be the responsibility of the homeowner. Whereas the insurance will not cover fixtures, appliances,

Motion to approve Harvest Dance Resolution on Insurance:

M/S/U

Motion to approve Spirit Dance Resolution on Insurance:

M/S/U

Question and answer period on insurance coverage with Abe Suydam and homeowners. It is very important that you advise Spring Creek Ranch Homeowners Association of remodeling, including addition of square feet to condominium units.

B. Architectural Committee – Tom Taylor

Architectural Committee Chairman Tom Taylor reported that the A/C Guidelines have been revised and are now consistent with the help of both Jackson Brandenburg and Mike Hammer. We are trying to cross-reference for everyone.

We have a new checklist in place for our new homeowners or anyone wanting to remodel. If you need one please get a copy from Sharon.

The A/C has listened to concerns and issues with trees and their affect on view corridors and how they need to be managed. More information will follow once our review of the situation is complete and we have a proposed management system and place to propose to the HOA Board.

Lot 5 has been settled with the help of the A/C and the terms in relation to the lot. Ron Harris worked very hard to make sure the slopes and landscaping will soften the look from the Ranch House on to lot 5. We were very involved with what happened on that lot. Thank you too to Andy Schilling for his assisting to bring resolution to lot 5.

We are also enforcing a preconstruction meeting for staging purposes with all contractors.

We have done a lot of work with the Guideline and thank you to Jackson Brandenburg for all of his help. We have some recommendations that we will be passing on to the Board.

The A/C is working with the Land Trust and the Board on an encroachment issue with one of the homeowners.

Open discussion

Improvement District by Frank Hess

Frank stated that the District involves one election each year of Officers and this can be done through the mail.

Ron Harris showed a slide presentation put together by Ben Bartlett. This is a 'growing problem' on the butte that is a long-term process. We have some trees that have only one issue and that would be to trim them. This is a long-term processes that needs to be addressed ahead of time and planned for. Growth retardant may be a possible option. Issues of payment of tree management were discussed and a combination of different options. Homeowners need to understand the issue and have input as to what we are going to do about it. Would like to keep situations between neighbors friendly and deal with this important issue. The Board and A/C would like to hear from. The most support we have at this time is to address this as a community issue.

VIII. Old Business

Lot 5 update by Jim Byrne:

The lot 5 lawsuit has been settled!

A special thanks to Tom Taylor and his Committee
Frank Hess
Bill Short
Florence Lemle
George Kallop
Kent Van Ripe
Ron Harris

A very special thank you to Jim Byrne for all of his dedication from Dave Conine.

Derek Goodson along with Stephen Price thanked Jim too for his dedication to Spring Creek Ranch and the many hours of hard work he contributed to all of us.

A heart felt thanks for all of your help to get this behind us.

Frank Hess acknowledged the hard work from the A/C to help him get the settlement through as well.

IX. New Business

A. The new Board will review the new budget for approval. We don't have a formal budget at this time.

The total of assessments to the homeowners

Spirit Dance decrease \$13.00 a month
Sun Dance increase \$6.00 per month
Harvest Dance decrease \$7.00 per month
Homes increase \$3.00
Commercial – increase \$300.00 per month
Amangani \$100 per month
JH Land & Cattle increase \$7.00 a month

Basically the assessments are going to stay the same.

In 2008 we started looking at expenses that we could reduce. We were able to cut back on Security because only one house was being built. A/C travel expenses to and from meetings has been removed. We have addressed snow removal steps that we can take when units are not occupied. There are not a lot of pending expense issues before the Board. We have set aside funds should the tree management become an expenditure for us. We have installed some irrigation in Harvest Dance.

JH Air is an addition to the budget this year to help support the JH Air program. This program will include ski passes for each lot. There will be an assessment to each homeowner for \$120.00 to support air travel in and out of Jackson.

Again, the Finance Committee has reviewed this budget and it will be presented.

Two large projects for the reserve funds that we are aware of at this time:
Replace the water system to have flow meters and telemetry needs to be updated.

We are going to look at the main road in the spring to chip seal the main road, and this would come out of the reserve. It will not be an assessment to the homeowners.

Finance Committee has recommended to the new Board to approve acceptance of the new budget.

Mr. Schirmer wanted to thank Derek and the Budget Committee for an excellent job in keeping costs down.

JLC vs. Spring Creek Ranch

JLC owned a unit and one of his neighbors wanted to put on an addition. The A/C denied the addition. JLC put the unit up for sale and filed suit

Open Discussion

Question from Sally Byrne for restoration of the old barn. Derek stated that there are funds approved for \$30,000.00 to restore the barn. Again this will not affect assessments. We have accepted a bid from a contractor and will get started on the project as soon as possible.

George Kallop stated that he has spoken to Stephen, Derek, and Jim, and now address the HOA Board. The use of the pool and gym by the public that are not homeowners or guests of Spring Creek Ranch. The pool and gym get very crowded every afternoon and it presents a negative impact of the Ranch.

Spring Creek Ranch sells pool memberships and is this beneficial to the owners? There are children often in the swim lane and there is no supervision to keep them out of it. Is there a provision in place to check to see who is supposed to be there? Are there specific hours that children are allowed to use the pool and gym? In my observation there is no supervision.

Are selling memberships beneficial to the HOA? Perhaps pool memberships should be prohibitive to enhance the desirability of the amenity.

Suggestion to build an adult only pool. It would enhance property values and be an asset to the Spring Creek Community.

Derek Goodson:

In our CC&R's the operating costs to clean the pool and staff it are in the budget. The budget could not support the costs and so the decision was made to sell memberships.

Sally Byrne suggested that the new Board address this matter.

Request to bring the Spring Creek Ranch Homeowner Association up to date. Derek Goodson stated that we are working on updating the website.

X. Adjournment

Motion to adjourn/2nd/U

Jim Byrne adjourned the meeting at 10:37 AM MST

Respectfully submitted,
Sharon Kuehn