

Spring Mountain Ranch
Homeowners Association
Annual Meeting
August 28, 2004

The annual meeting of the Spring Mountain Ranch Homeowners Association was held on August 28, 2004 at the Spring Mountain Ranchhouse in McCall, Idaho. Bob Bender, President of the Association called the meeting to order at 10:05 a.m.

Rollcall – President Bender announced that a quorum was not present as only 85 votes were present in attendance and proxies. A total of 117 votes constituted a quorum in accordance with our By-Laws, therefore no voting would be requested on any issues at the meeting.

Proof of Notice of Meeting – Notice of this meeting and Proxies were mailed to all homeowners on July 29 in accordance with our By-Laws.

Election of Directors – President Bender introduced prospective Board members and asked each for any comments they would wish to make to the assembly. Board member and Secretary Ray Ryden thanked those homeowners present for attending the meeting. He urged all to encourage their neighbors and homeowner friends in the future to attend our Annual Meetings or send in a proxy so that a quorum would be present and the business of the Association could be conducted. Bill Robertson, Board member and Treasurer of the Association discussed some of the key issues the Board had dealt with during the past term. He specifically referred to the on-going relationship between Private Residences & Resorts the new owners of the Hearthstone development. An agreement with PR&R regarding their usage of the Ranchhouse continues to be a major issue to be resolved in the near term. Bill, also encouraged homeowners to become active on the Associations committees. He introduced Linice Kaiser, owner of Accomodation Services, Inc. whose company will provide administrative services to our Association. President Bender then introduced Michael Burns, President of PR&R and a prospective Board member. Michael gave a brief synopsis of his experience in the fractional ownership property development business. He stressed his interest in preserving and enhancing the amenities of the Ranchhouse property. Carol Langer, a new SMR property owner and lifelong resident of Boise, was introduced as a nominee to our Board. Carol related her considerable business experience and desire to keep SMR a premier residence and resort property. Tom Henderson, a retired engineer in the defense industry and the final nominee to the Board, related his occupational experience. Tom brings additional management expertise to our Board. This slate of Directors could not be officially elected due to the lack of a quorum at the meeting. A vote to confirm their election will take place at a Special Meeting of the Association to be held on September 23, 2004.

Committee Reports - Ranchhouse Committee. Dave Eaton Chairman of the Ranchhouse Committee, spoke about the many activities of the Committee. Significant among those was the ongoing relationship with PR&R and the details of a long term agreement with the developer. Dave also related specifics of recent vandalism to the Ranchhouse and pool area. He urged all homeowners to be observant of activities which were unlawful or potentially harmful to our common property and to notify the

concerning their use of the Ranchhouse.

appropriate City officials immediately. Security systems are being investigated to minimize abuse and damage to the property. Dave encouraged homeowner participation on the Ranchhouse Committee and to be respectful themselves of the Common area property. Following Dave's presentation a number of questions and complaints from homeowners were addressed. A bulletin board or other form of communication was requested that would inform homeowners on a timely basis of pertinent information ~~or~~ and activities affecting homeowners. The Ranchhouse committee will explore options to deliver such information.

CC&R/Design Review Committee – Ben Potts, Committee Chairman, appealed to homeowners to participate on this Committee. All new homes and modifications to properties must be approved by this committee. As a result, their work load is very heavy and they would appreciate more involvement from homeowners.

Golf Committee – No report.

Budget & Finance – Linice Kaiser reported all line items were essentially within budget and no dues increase was anticipated at this time.

Community Update – President Bender advised the homeowners that Silvertip LLC had purchased Parcels K, L, & M adjacent to Spring Mountain Ranch and the Cedars golf course. Silvertip is a company headquartered in Boise. They had requested and the Board approved their membership in the SMR Homeowners Association. The development was originally a part of SMR. There will be a maximum of 95 ~~homes~~ ^{units} built in the development. They will follow SMR Design Guidelines and CC&R's. Silvertip will pay \$40,000 initial fee, plus \$250 set up fee per property sold and monthly dues of \$25 per property. In return their property owners will have the use of the SMR Ranchhouse and its amenities.

General – Michael Burns of PR&R responded to questions regarding the development of a swimming pool and other recreational facilities on the Hearthstone property. The pool will probably be started next summer or by 2006 depending on unit sales. It is anticipated that the pool would be primarily used for Hearthstone owners, but possibly available to SMR homeowners. Therefore, pressure on SMR pool would be relieved.

Pine tree insect infestation is still a major problem. Again, homeowners will be advised to have infected trees removed immediately. Failure to remove these trees can cause the infestation to spread and kill other trees in the area. All homeowners were urged to remove dead and dying trees on their properties as soon as possible.

Adjournment – The annual meeting was adjourned by President Bender at 11:30 am. A Special meeting of the Association will be held on Thursday, September 23 at 10:00 am in the Ranchhouse for the purpose of electing the slate of Directors presented at the regular meeting.

Respectfully submitted.

Ray Ryden, Secretary