

Yellowstone River Ranch Landowners' Corporation

Minutes of the Annual Meeting

July 21, 2012

The Chairman of the Board, Dan O'Neil, called the meeting to order with approximately 31 landowners present and the developer. A copy of the list is available upon request. The other board members, Kim Skelton, Renate Nieman, Jim Kaelberer and Jim Gebel, were present. (*Note: 92 proxy votes were received from landowners not attending*).

Dan O'Neil stated that the meeting would follow the agenda listed in our bylaws. Time would be allowed following the election of directors for an informal question and answer section. Dan also stated that if members would like something presented at the annual meeting to send it to the board in advance of the meeting notice so that it can be put on the agenda. Furthermore, don't wait for the annual meeting; present your proposals to the board at the open board meetings thought out the year.

Report of activities of the corporation for the preceding year

Dan O'Neil gave the report. In the past year the board held six meetings all open to the members. The board held two work group meetings to discuss work on the ranch and operational issues. All minutes of the board meetings are available on the website www.yrrlc.com.

Dan said that the Board has published three newsletters they are available on the website, thank you Renate.

There were 4 covenant violations last year. Two were settled. These lot owners agreed in writing that their buildings were outbuildings and would only be used as such. The board is still in discussion with the lot owner on lot 223. The last violation is in litigation. After numerous discussions by the current board and the previous board this lot owner refused to bring his building into conformity. The board has a legal budget and fund which was used for this purpose. One of the board's most important jobs is to enforce the covenants. Dan also stated that last year's \$50 assessment was not used for legal matters.

The Board of Directors completed a 5 year road plan. The board wanted to insure that all roads in the ranch were reviewed and received attention if necessary. The plan encompasses all ranch roads and listed a tentative schedule date when they will receive attention. The board also looked at roads that were overgrown with weeds and a weed management plan was started to address this issue. Discussion was held. The road plan is available on the website www.yrrlc.com

Road Report

Kim Skelton presented the road report. The current schedule to begin road work has been delayed due to the stage two fire restrictions. The road contractor Central Excavation will be mobilizing next week and is expected to be in the ranch on Wednesday. He will start at the entrance of the ranch. The detailed road plan was sent to all members with the meeting notice. A copy is available on the website. Discussion was held concerning the road work done last year and the materials used. All agreed that the material used last year from Free River Ranch was exceptional and it would be used this year for most projects. Harold Riensche had a concern about the manner in which road work was determined. He said that the articles of incorporation stated that the Corporation would determine road work to be done. Dan O'Neil let Harold know that the Yellowstone River Landowners Corporation had Bylaws and the bylaws of a corporation set forth various procedures affecting the governance of the corporation. Our bylaws state that the board of directors is responsible to determining road work. In addition it would be extremely difficult to get all 227 lot owners together at a meeting to determine roadwork.

Weed Report

Jim Kaelberer gave the weed report. We are contracted with Range Ryder/Mike Larson, a licensed weed contractor for Stillwater County. Mike Larson drove the roads in March and was given a budget to work within. He had sprayed twice. The first spraying was with roundup 6 feet off of roadways and across roads that were weed covered. He has just about completed the second spraying. This is being done with a spray that kills noxious weeds and will be sprayed out further into the ditches. Discussion was held. It was noted that the Landowners' Corporation only sprays the roadways other weed spraying is the responsibility of individual land owners. If a landowner would like to have their weeds sprayed contact Mike Larson with Range Ryder. Dan O'Neil said that if members had concerns with weed growth on roads to contact the board so they could look into it.

Covenant Changes

Dan O'Neil reported that changes to the covenants were filed at the court house on Friday July 20, 2012. The board of directors reviewed the changes recommended by the covenant committee, made some minor alterations/deletions but by-and-large stuck with the recommendations of the committee. The biggest change made was to remove the section that allowed the Board to make covenant changes. This was changed so that it now requires a 2/3 majority of all eligible voting land owners at a meeting to make future changes. The new covenants will be available on the website. Discussion was held.

Architectural Committee Report - Kristi Skelton from the architectural committee was unable to attend the meeting but she said she would post a report on our website www.yrrlc.com.

Treasures report

The report was presented by Kim Skelton, Treasurer. Discussion was held. Kim said a copy of the check register was available at the meeting and will be posted to the website. Kim said that over the past year the amount of member delinquencies has decreased. Last year 20 people were delinquent this has been brought down to 12 delinquent accounts. A total of \$14,750 has been collected in delinquent dues. Kim also stated that the all dues are current with both developers. The 2012 – 2013 budget was presented by Kim Skelton. Discussion was held. Kim stated that we were having an outside CPA audit the books. A copy of all the reports will be available on our website.

Community Park Report

Jim Kaelberer presented the park report. The park is in great shape there are three picnic tables and fire pits. It is a great place to put your boat into the water. I sprayed for mosquitoes on Friday. Thanks go out to David and Irene Belvin who helped with their tractor to get the weed and brush mowed. Thanks to Kim Felt, Renate Nieman, Mike Fatchett and Kim Skelton who all work with the Belvin's to get the park ready to use this summer. We also have a portable toilet for member use. The annual picnic/BBQ will be held at park today after the meeting.

Fire Report

Mike Fatchett reported that we are under stage 2 fire restrictions. The restrictions will be modified allowing for agricultural exceptions later this week. The tank that was buried last year is filled and available. There was still some work that needed to be completed and that should happen in the next month. The water tank on the BLM was also filled and ready. The river park water point plumbing is scheduled to be completed this summer. Paul Payne stated that he had 4400 gallons of water available on lot 77 for use in an emergency. Mike reported about the fire near Pinecrest ranch and the current fire dangers and resources that were available. He also reported about the consolidation of the Reed Point district and reported that an engine is stationed at the Holden Ranch for quick response. A comment was made that owners should register with the Stillwater County reverse 911 system so that they would be notified of events in the ranch.

Election of directors

Harold Riensche had a concern on voting and the developer's position on the board. He read a letter concerning this matter. Renate Nieman addressed his concerns and agreed to provide documentation.

The election of Directors was held. There were three positions to be voted upon, Resident Director and two Directors at Large.

Jim Kaelberer and Harold Riensche were nominated for 3 year director at large position, Harold Riensche was elected. Andy Simpson, Bill Rider and Jim Kaelberer were nominated for the 1 year director at large position. Andy Simpson was elected. Mat Catlin and Tom Robins nominated for resident director. Matt Catlin was elected. Renate Nieman continued as developer's director.

Member discussion

Harold Riensche presented his road plan – discussion was held. Chuck Hall made a motion to direct the Board of Directors to study the road plan. Motion was seconded.

Chuck Hall discussed weed spraying

Sandy Youngren discussed neighborhood issues