



BLACK BUTTE RANCH ASSOCIATION

Board of Directors Meeting

MEETING MINUTES

11/21/09

November 21, 2009, 8:30 AM, Black Butte Ranch Community Center
Black Butte Ranch, Oregon

The meeting was called to order at 8:30 AM.

DIRECTORS IN ATTENDANCE: Matt Baker, Ruth Burk, Cathy Ellis, Phil Jackson, Doug Pollack, Rob Sprouse, Bruce Vaughan, Vanessa Wilkins, and Bob Wollmuth

STAFF IN ATTENDANCE: Scott Huntsman, Sharon Dille, Dean Ecker, Jeff Fought, Marilyn Jack, and Katie Williams.

PROPERTY OWNERS PRESENT: Approximately 6 property owners were in attendance.

APPROVAL OF MINUTES

Motion: A motion was made and seconded to approve the July 18, 2009 Board Minutes and to post them on the website.

Motion passed: Unanimous

Supplemental information on file: Minutes, July 18, 2009 Board Meeting Minutes

Bob Wollmuth opened the floor for discussion of an issue brought up at the July meeting regarding possible legal action against Holbrook. He mentioned that he had discussed the issue with Wally Schulz and Wally advised that there is no basis for action. Bob asked for a motion on this subject and Bruce Vaughan moved that the board continue to pursue Holbrook. There was no second, therefore the motion failed.

Motion: A motion was made and seconded to approve the September 19, 2009 Board Minutes and to post them on the website.

Motion passed: Unanimous

Supplemental information on file: Minutes, September 19, 2009 Board Meeting Minutes

PROPOSED 2010 SCHEDULE OF MEETINGS

Bob Wollmuth opened the discussion on the proposed meeting schedule. He indicated that the Finance Committee made a few changes on the meeting schedule. There were no other comments; therefore the meeting schedule submitted is approved.

GENERAL MANAGER REPORT – Scott Huntsman

Scott Huntsman gave an overview of operations for October. He mentioned that all departments have done very well in keeping costs down. Looking forward, he mentioned that management is anticipating a successful holiday season. He said that lodging for the Thanksgiving Holiday is pacing ahead of last year. Scott also shared with the board notes from the recent Strategic Planning Session held for the Executive Committee team.

Supplemental information on file: PowerPoint presentation; Strategic Planning Session Notes

CHIEF FINANCIAL OFFICER REPORT – Sharon Dilley

Sharon Dilley gave a report on the October 2009 financial results and reviewed the financial forecast for the year ending March 31, 2010.

Supplemental information on file: PowerPoint presentation – Black Butte Ranch Corporation/Association Operations Report for October 2009

SALES AND MARKETING PRESENTATION – Scott Huntsman

Scott Huntsman gave the sales and marketing report in place of Charles Kingsbaker. He discussed the “Backlog” report that tracks data for lodging and catering. He talked about the new website that has been developed with the help of Smart Solutions in Bend, using Google analytics and Navis programs, and he mentioned that online booking is very close to going live. He also demonstrated the new virtual tour feature on the vacation rentals web page. Doug Pollack asked if Scott could provide the board with regular reports outlining results from Google analytics and search engine optimization. He said he would provide a report at the February board meeting.

Supplemental information on file: Backlog Report handout

FOOD AND BEVERAGE ANALYSIS AND ROADMAP – Scott Huntsman

Scott Huntsman outlined the proposed food and beverage initiatives for both the Lodge Restaurant and Big Meadow Clubhouse. The Roadmap includes taking a look at some menu changes as well as changes in the ambiance in each venue to better reflect the Ranch experience. He also outlined how the “Event Pavilion” will be a valuable part of the proposed Roadmap by giving the Ranch the ability to generate additional revenue. Several board members emphasized the importance of the homeowner experience as well as the guest experience, and several agreed with the need to increase special event activity to bring more revenue to the Ranch. Rob Sprouse suggested that the event pavilion be renamed the “Lakeside Pavilion” and he supports what Ranch management is trying to do. After a round of discussion by board members the majority of them were in support of the Roadmap initiatives.

Supplemental on file: Food and Beverage Roadmap PowerPoint

ARCHITECTURAL REVIEW COMMITTEE REPORT – Marilyn Jack

Glen Grader gave an update on recent ARC activities regarding landscaping. Marilyn Jack then discussed two pending tree fine appeals, and recent activity with respect to proposed actions against the property owner of SM 3. Marilyn presented the board with a request to authorize the tear down of this house by using powers granted to the board via certain sections of the Governance Documents.

It was brought up whether or not a motion would be needed to proceed, and Bob Wollmuth suggested that it be discussed at the next board meeting. It was mentioned that the property owner is current on property taxes and his bills, however he has not responded to any communication from the Ranch.

Supplemental information on file: Documentation regarding property owner violations at SM 3

COMMITTEE AND TASK FORCE REPORTS

FINANCE COMMITTEE – Bob Wollmuth

Bob Wollmuth, who is representing the board as Treasurer, reported on the most recent finance committee meeting. Bob discussed the recommendation from the finance committee to contribute capital from the Association to the Corporation in the amount of \$500,000.

Motion: A motion was made and seconded to approve contributed capital of \$500,000 from the Association to the Corporation.

Motion passed: Unanimous

Bob Wollmuth then discussed the proposed Glaze Meadow golf course renovation. He brought the board up to date on current discussions; he then turned the floor over to Scott Huntsman and Jeff Fought to present additional information. Scott shared a PowerPoint presentation and discussed the reasons necessary for the renovation. He also reviewed the Preliminary Construction Proforma and discussed ideas on how the renovation could be financed. Matt Baker brought up that the renovation was necessary to protect property values as well as to complete deferred maintenance. Scott mentioned that the next steps will be to select the top two architects, have them make a presentation to the Finance Committee in December. Then in February, Scott will make a presentation to the board including a timeline, Master Plan, and financing recommendations.

Motion: A motion was made and seconded to allocate \$100,000 to proceed with the preparation of the Glaze Meadow renovation proposal, including architect selection, master plan development, timeline, and financing strategy to be presented to the board in February.

Motion passed: Unanimous

Bob Wollmuth began the discussion on the proposed dues increase. He reported that the Finance Committee is recommending a 4% increase. He then turned the floor over to Scott Huntsman to elaborate on the proposed increase. There was much discussion about the pros and cons of a dues increase. It was recommended by the Finance Committee that the emergency reserve be increased up to one million dollars.

Motion: A motion was made and seconded to have no dues increase in 2010.

Bob Wollmuth opened the floor for discussion.

Motion to amend: An amendment was moved and seconded to impose a 3% dues increase as of January 1, 2010.

Motion failed: Ayes – Rob Sprouse and Cathy Ellis; Nays – Matt Baker, Ruth Burk, Phil Jackson, Doug Pollack, Bruce Vaughan, and Vanessa Wilkins

Bob Wollmuth opened the floor for further discussion.

Motion restated: A motion was made and seconded to have no dues increase in 2010.

Motion passed: *Ayes – Matt Baker, Ruth Burk, Cathy Ellis, Phil Jackson, Doug Pollack, Bruce Vaughan, and Vanessa Wilkins; Nays – Bob Wollmuth and Rob Sprouse*

Supplemental information on file: Financials for October 31, 2009; Glaze Meadow PowerPoint presentation; Preliminary Construction Proforma; BBRA Annual Dues handout

Motion: A motion was made and seconded to proceed with management's Food and Beverage Roadmap proposal.

Motion passed: *Ayes – Matt Baker, Ruth Burk, Cathy Ellis, Phil Jackson, Doug Pollack, Rob Sprouse, and Bruce Vaughan; Nays – Vanessa Wilkins*

COMMUNICATIONS COMMITTEE – Ruth Burk

Rob Sprouse reported on the activities of the Black Butte Ranch Facilities Naming Task Force. He reviewed the worksheet handed out to board members with naming recommendations for various venues around the Ranch. He requested a time to meet with Scott Huntsman and Charles Kingsbaker to further review the task force recommendations.

Ruth Burk gave a brief overview of the revised Standing Committee Charter for the Communications Committee.

Motion: A motion was made and seconded to adopt the revised Standing Committee Charter – Communications dated October 30, 2009.

Motion passed: *Unanimous*

Supplemental information on file: Memorandum dated October 26, 2009 – Black Butte Ranch Facilities Naming Task Force; Standing Committee Charter – Communications, Adopted April 19, 2008, Revised October 30, 2009

LODGE AREA TASK FORCE – Matt Baker

Matt Baker reported on recent activity of the task force. He reported about the Town Hall meeting held in Portland. He said it was very well attended. He summarized the comments and feedback received about the Lodge complex. The next task force meeting is scheduled for November 30; they will meet with the architect and focus their attention on the site plan.

WATER TASK FORCE – Bruce Vaughan

Bruce Vaughan announced that the State Water Board has granted the Ranch an extension of five years to drill a new well (there was no opposition recorded during the comment period). He mentioned there is a list of projects that need to be completed. He mentioned they have requested WH Pacific to assist in engineering on a few of the upcoming projects.

NATURAL RESOURCES COMMITTEE – Cathy Ellis

Cathy Ellis reported that she met with Ranch maintenance regarding a plan to do the record keeping on all noxious weed activity. They are willing to include this function with the lot certification process. She reported that the Riparian Study is moving along. She mentioned there are broken willows along the Big Meadow water ways and the Ranch has received approval to remove the dead willows.

She opened discussion on creating a foundation that will provide stewardship for natural resources on the Ranch. She has been in discussions with one of the Natural Resources Committee members, Edgar Clark -- who is also on the Nature Conservancy Board - on how to build the foundation.

NORTH MAINTENANCE AREA LOT SALES TASK FORCE – Rob Sprouse

Rob reported that the Black Butte Ranch Corporation lots have been re-listed at a \$20K reduction in each sales price (GH319 - \$575K; GH320 - \$525K). He mentioned that real estate activity is running at 50% of what it was in 2007.

Supplemental information on file: Email memorandum dated November 8, 2009 regarding BBR Real Estate Sales

HOMEOWNER COMMENTS

Bob Wollmuth opened the floor for homeowner comments.

Rodger Gabrielson thanked the board for all their hard work and for their professional relationship with Ranch management. He then read a statement from forestry department officials indicating that Black Butte Ranch has been very effective in the certification process and that the homeowners should be proud of what they have accomplished through the SB 360 program.

OTHER BUSINESS

Vanessa Wilkins, Chair of the Nominating Committee requested that board members pass on to her any potential candidates for the upcoming election.

Scott Huntsman mentioned that he will present a proposed Ethics Policy at the February board meeting.

Motion: A motion was made and seconded to adjourn.

Motion passed: Unanimous

The meeting was adjourned at 1:00pm

Katie Williams

Recording Secretary, Black Butte Ranch Association

Ruth Burk

Secretary, Black Butte Ranch Association

SUMMARY OF MOTIONS
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Motion passed: Unanimous

Motion restated: A motion was made and seconded to have no dues increase in 2010.

Motion passed: Ayes – Matt Baker, Ruth Burk, Cathy Ellis, Phil Jackson, Doug Pollack, Bruce Vaughan, and Vanessa Wilkins; Nays – Bob Wollmuth and Rob Sprouse

Motion: A motion was made and seconded to proceed with management's Food and Beverage Roadmap proposal.

Motion passed: Ayes – Matt Baker, Ruth Burk, Cathy Ellis, Phil Jackson, Doug Pollack, Rob Sprouse, and Bruce Vaughan; Nays – Vanessa Wilkins

Motion: A motion was made and seconded to adopt the revised Standing Committee Charter – Communications dated October 30, 2009.

Motion passed: Unanimous

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Motion passed: Unanimous