

**MINUTES OF THE ANNUAL MEETING OF MEMBERS
SPEARFISH CANYON OWNERS' ASSOCIATION
JULY 14, 2007 – 7:00 P.M.**

The annual meeting of the Spearfish Canyon Owners' Association was held on July 14, 2007 beginning at 7:00 p.m. at the Fire Hall in Spearfish Canyon.

Chairman Jim Nelson called the meeting to order, following a great dinner prepared by C-J Catering. A "full house" was present. The registrar determined that a quorum was present for conducting of business.

1. SECRETARY'S REPORT:

Secretary Richard Pluimer provided a report of the minutes of the 2006 annual meeting. Secretary Pluimer also confirmed that following the annual meeting, based upon ballots submitted and mailed in by members, that more than 2/3 of the membership had approved, in writing, the first amendment to the Declaration of Covenants, Conditions, Restrictions and Reservations for Homestake Cabin Lot Sales in Spearfish Canyon. Additional copies of this year's proposal, together with Architectural Review Committee rules and Canyon Design Guidelines were also made available for review by the membership. Upon motion, and second, the Secretary's report was duly approved.

2. TREASURER'S REPORT:

Treasurer David Brueckner provided the Treasurer's Report. Dave advised that only a handful of members are not current on dues and he provided a written report distributed to members, reflecting total balances on hand of approximately \$12,100.

Upon motion duly made and seconded, the Treasurer's Report was duly approved.

3. US FOREST SERVICE REPORT:

New District Ranger Rhonda O'Byrne and Assistant Jim Williams, provided reports of Forest Service activity affecting Spearfish Canyon. Current activities include work on buffers around Canyon properties as well as fuel reduction under existing plans. Additional plans are currently being developed, and membership participation and suggestions are encouraged by the Forest Service, by way of public comment.

4. FIRE WISE REPORT:

Dave Brueckner provided the Fire Wise report. Dave thanked the Cities of Spearfish and Lead for making rubble sites available for members to dispose of logs and brush at no expense at each of those locations. This year's Fire Wise Day is set for Saturday, July 21st. Numerous members present volunteered for additional Fire Wise inspections. The number of volunteers should allow the Committee to reach its goal of 70% of all Canyon properties inspected for Fire Wise compliance, also enabling the Committee to submit the full plan and report to the State for official designation. Several volunteers are available to assist in hauling brush for those physically unable to do so. Various Forest Service personnel also plan to be present to assist in cleanup. The Fire Department chipper will also be available.

5. ARCHITECTURAL REVIEW COMMITTEE REPORT:

Ralph Reausaw provided a very brief Architectural Review Committee Report. 26 permits had been granted in the prior year, including 6 new residences.

6. CLEANUP COMMITTEE:

Bob Geis provided a very brief report on the activities of the Cleanup Committee, referring those present to the most recent newsletter.

7. ENVIRONMENTAL COMMITTEE:

Jim Nelson provided a very brief Environmental Committee report. Many of the matters under this Committee were also included in the most recent newsletter, in some detail, so no extensive report or discussion was prepared.

8. NOMINATING COMMITTEE:

Linda Christenson provided the Nominating Committee report. The terms of Bob Geis, Ralph Reausaw and Dick Pluimer were up. Linda advised that each had offered to serve an additional term. Discussion occurred as to how members interested in serving on the board or committees can indicate a willingness to do so. Members interested in serving on the board can contact Linda Christenson, Nominating Committee Chairperson, and submit biographical information for inclusion in the newsletter. Those interested in serving as volunteers on any committee may contact any officer or director as the board is always interested in obtaining any assistance from members on a number of committees.

There being no further nominations, upon motion by Tom Adam, seconded by Gerry Bennett, the rules were suspended and the Secretary was instructed to cast a unanimous ballot for the nominated directors. Motion was approved on voice vote, with member opposed.

Directors elected will serve a three-year term expiring at the annual meeting in 2010.

9. BY-LAW AMENDMENTS:

Two amendments to the by-laws of the corporation were proposed by the board of directors. Information on the proposals had been previously mailed to each member, and included in newsletter discussions. The first proposal would specifically define the powers and duties of the board of directors, to insure that the board took primary responsibility for enforcement of covenants and rules. The second by-law provision amended Article 12, to provide a mechanism for addressing covenant violations through an informal hearing process. The amendment would also subject violators to reimbursement of association costs and attorney's fees. President Nelson advised that 65 written ballots had been received at or prior to the meeting. The tabulation of those ballots reflected 64 ballots in favor of the amendments, one opposed. Upon vote by those present, 27 members present approved Proposal #1, with none opposed. On Proposal #2, the amendment of Article 12, 27 members present voted in favor of the proposal, with 2 members opposed.

With the combination of written ballots plus those present at the meeting, the total tally for Proposal #1 is 91. The total tally for Proposal #2 is 91 with two opposed.

The President declared that both proposals had passed.

10. COVENANT AMENDMENTS:

Two amendments to the covenants had been proposed by the board. Written notice of the proposals had been given more than 30 days prior to the meeting to all members. Proposal #3 provides for an indemnification to the association for members violating covenants requiring the association to incur expense. Proposal #4 clarified the ability of members to carry on some incidental business use of their homes, provided that no signs, traffic, equipment, etc. were involved and that the primary use remains single family residential.

On Proposal #3, 29 members present voted in favor of the proposal, no-one voted in opposition. On Proposal #4, 27 members voted in favor, with none opposed. Based upon the vote of members present, together with ballots submitted by mail, President Nelson determined that more than 2/3 of the association voted in favor of the covenants, and declared them duly adopted.

11. ADJOURNMENT:

Following a brief discussion of miscellaneous matters, with no official action taken, the meeting was duly adjourned at 8:45 p.m.

Respectfully submitted this ____ day of July, 2007.

RICHARD A. PLUIMER, Secretary