

**SUN VALLEY ELKHORN ASSOCIATION
BOARD OF DIRECTORS' MEETING MINUTES
Friday, September 21, 2018
Minutes**

AGENDA BUSINESS ITEMS

1. Review and Approve Financial Reports – <i>June, July & August 2018</i>
2. Review Sunrise Park Expenses
3. Remove Elkhorn from MLS
4. Dog Waste Bag Dispensers at Bus Stops
5. Discuss Annual Meeting Information

IN ATTENDANCE

Board Members	Staff, Counsel & Others
Dave Galloway, President	Jim Laski, Legal Counsel
Nancy Auseklis, Secretary	Chuck Williamson, Staff
Karen Curry, Treasurer	Darlene Kuehn, Staff
Anita Northwood, Director	Sue Ahern, Staff
Laurie Fitzpatrick, Director	Jon White, Staff
Grady Burnett, Director	
Peter Jarvis, Director	Owners and Others:
	See Attached Listing
Board Members - Not Present	
Harry Griffith, Director	
Jim Monger, Vice President	

CALL TO ORDER

President Dave Galloway called the meeting to order at 2:05 p.m.

ESTABLISHMENT OF A QUORUM

A quorum was established with seven (7) Directors in attendance. Jim Monger and Harry Griffith were unavailable.

REPORT FROM SUN VALLEY MAYOR

Sun Valley Mayor Peter Hendricks was unavailable due to prior commitments and visiting dignitaries. The Mayors report was tabled.

OWNERS ADDRESSING THE BOARD

Baxter Young – Arrowwood 4603

Mr. Young requested clarification as to the budget approval process. Mr. Young requested that his objection to the Board going into Executive Session to discuss the employee 401k matters be noted in the minutes. He expressed his opinion the Board did not have the authority to go into Executive Session for employee policy matters.

Bob Diercks – 217 Morningstar

Mr. Diercks expressed the SVEA Board is within their authority to handle employee matters in executive session. He explained this practice is very common within many corporations.

Ira Shepard – 115 Blue Grouse

Mr. Shepard stated that it's common practice and historically consistent with SVEA policies and procedures to discuss all personnel, litigation and contractor negotiation matters in executive session.

APPROVAL OF FINANCIAL REPORTS

The financial statements for June, July and August 2018 were provided to all Board Members prior to the meeting.

MOTION: Peter Jarvis moved to approve the financial reports as submitted, Grady Burnett seconded, and the motion passed unanimously.

BUSINESS

1. Review Sunrise Park Annual Expenses

Chuck Williamson provided the Board with a five-year historical cost breakdown for maintaining the Sunrise Park parcel. The costs to maintain the area ranged from a low of \$6,080.46 in 2016 to a high of \$8,352.59 as of August 15, 2018. Dave Galloway explained the matter was of concern to Harry Griffith on the basis that the Sunrise Park represented half of SVEA's total irrigation water consumption. Chuck explained that the Sunrise Park rezone to REC failed and that the area is being maintained under a preexisting use. If SVEA discontinues the landscape maintenance then after a certain amount of time the Association could be prohibited from doing so under Open Space (OS) zoning. Under current (OS) Open Space zoning, SVEA would not be allowed to expand the usage beyond what currently exist should the membership desire to do so in the future. Anita Northwood and Peter Jarvis expressed their concern with respect to the overall cost of maintenance which provides limited benefit to the entire SVEA membership. Pursuant to discussion, staff was directed to reach out to the Sunrise owners and inquire as to their willingness to share the expense for park maintenance going forward. Staff will report to the Board in the January meeting.

2. Consider Approval of the 2018/19 Operational and Capital Budgets

Karen Curry reported the 2018/19 proposed Operational and Capital Budgets were reviewed and approved by the Finance Committee in its meeting on September 6th. The Finance Committee reviewed in detail all proposed expenditures within the operational and capital budgets. The Finance Committee determined sufficient funds, in excess of operating expenses, have accumulated to meet and exceed the minimum requirements of the operational and capital budgeting principles. The 2018/19 operational budget proposes an overall annual increase of approximately \$2,000. Chuck Williamson reported on the following Capital budget items:

- 1) Village Tennis Court renovations. The Finance Committee approved a staff recommendation to move a \$193,000 tennis court rebuild line item expense proposed in 2019/20 into 2018/19.
- 2) The Harker pool diving board is showing signs of significant deterioration due to salt water saturation, use and weathering. Staff's recommendation for replacement is based on safety and aesthetics. A stainless-steel stand with fiberglass wrapped wood core diving board is under consideration. Staff is taking this opportunity to pursue a quieter diving board addressing concerns expressed by neighboring property owners. The cost of a new stand, diving board, demolition and reinstallation has been estimated at \$17,000.
- 3) Staff recommended new tile installation in the showers at the Village pool. The plan would be to retile the walls and floors. Chuck stated this is an aesthetic and maintenance improvement project. The cost has been estimated at \$37,000.
- 4) Staff requested an increase in the capital budget for the replacement of the summer pool covers to include new rollers. The roller for removing and storing the summer covers is in disrepair and in need of replacement. The cost for new covers and a roll cart is estimated at \$15,000.

The remaining items proposed for replacement in the capital budget are in accordance with the capital reserve replacement schedule. No increase in the Operational or Capital Reserve assessments is required in the 2018/19 fiscal year.

Karen reported that the Finance Committee approved the 2018/19 Operational and Capital budgets as presented and she recommended final approval by the Board of Directors. Pursuant to discussion;

MOTION: Karen Curry moved to approve the Operational and Capital budgets as recommended by the Finance Committee, Peter Jarvis seconded, and motion passed unanimously.

3. Removing Elkhorn from the MLS

Chuck Williamson reported that according to Board directive he submitted a letter to the Sun Valley Board of Realtors inquiring as to the feasibility of removing "Elkhorn" from the area designation within the MLS. This action is being considered due to concerns about general public confusion over whether or not Elkhorn is located in the City of Sun Valley. He was informed that the Sun Valley Board of Realtors has placed this matter on their agenda for their next Board meeting. Grady Burnett reported that the Communication Committee discussed the matter in their meeting on September 20th. Grady introduced Leisa Brait who is a member of the Communications Committee and a director on the Sun Valley Board of Realtors. Leisa explained that any confusion as to whether Elkhorn is in Sun Valley would primarily be a local issue. Property searches utilizing the MLS are primarily found by zip code where Elkhorn properties would display as a Sun Valley area listing. In addition, the recent change to "Elkhorn in Sun Valley" in the MLS has aided in the general public's understanding that Elkhorn is in Sun Valley. Grady explained that initially he was compelled to pursue the removal of Elkhorn in the MLS; however, SVEA has made a concerted effort to enhance the Elkhorn image and that any negative perceptions of the past no longer apply. Grady stated that he would prefer that Elkhorn continue to enhance its image rather than remove the area designation from the MLS. Nancy Auseklis expressed that she would like to keep Elkhorn in the MLS and actively promote living in Elkhorn as a positive experience with all its amenities. Following discussion, the Board directed staff to contact the Sun Valley Board of Realtors and remove this item from their meeting agenda.

4. Dog Waste Bag Dispensers – Update

Chuck reported there was some confusion between SVEA and the City with regard to granted approvals which delayed the dispenser installations. SVEA has been in contact with City Planner Bryce Ternet and the matter has been resolved. Operations Manager, Jon White, is scheduled to meet with Bryce Ternet and finalize placement of the pet waste bag dispensers in the coming week.

5. Discuss Annual Meeting Information

Chuck reported that Harry Griffith and Nancy Auseklis have each served two terms for a total of six (6) years on the SVEA Board of Directors. They are term limited and precluded from the upcoming elections. Dave Galloway has served one (1) term on the Board and is up for re-election this year. Chuck reported that staff has been promoting in the newsletter and eblasts that Owners interested in running for the Board of Directors have until October 31, 2018 to submit their applications. The annual meeting information will be sent to all owners on or about November 10th.

STAFF REPORT

Elkhorn Springs Phase 3 Development

Dave Galloway requested that Chuck inform the Board on the current status of Elkhorn Springs Phase 3 development. Chuck reported that Dave Hennessy met with staff and announced his intentions to pursue development of Elkhorn Springs Phase 3 in the Village core. The development will consist of two buildings similar in design to the existing Elkhorn Springs condominiums. Each building will be four stories in height. Thirty-five (35) residential units and forty-three (43) underground parking spaces are being proposed. Mr. Hennessy has stated that he intends to pursue appropriate approvals over the winter months in preparation for starting construction in the spring of 2019. The construction approvals from SVEA and the City of Sun Valley received in 2006/7 have expired. Mr. Hennessy must re-submit his plans and receive approval from SVEA and the City of Sun Valley prior to initiating any construction activity. Dave Galloway explained that through unrelated matters he became aware the parking easement granted to SVEA in the Village core. Dave explained that a cursory review of the easement appears to indicate any parking spaces lost as a result of Elkhorn Springs Phase 3 construction must be replaced in some manner. Parking in the Village core at times has become very congested with very active golf course, pool and tennis operations during the summer. The Elkhorn Inn and Vyyken Water operations also create additional pressure on the limited available parking. Dave informed the Board that Jim Laski has a conflict and would be unable to represent SVEA or Dave Hennessy in any dispute should it arise; however, until such time as a dispute does occur, Jim has agreed to provide advice and work with both parties in this matter. Chuck explained that the

possibility of development in the Village core has prompted staff to recommend advancing the schedule for the Village tennis court renovations. Elkhorn Springs Phase 3, if constructed as planned, would restrict SVEA's ability to rebuild Village courts 1 and 2 given the limited space between the courts and the proposed residential buildings. The new Elkhorn Springs residential buildings could be situated 8 to 10 feet from the tennis courts on the north and west sides of the facilities. Board members directed that staff keep them informed on any ADC applications submitted by Dave Hennessy and any activity pertaining to the parking easement. Peter Jarvis suggested that independent council be considered if parking easements do not meet SVEA expectations.

The Staff Report distributed to Board members prior to the meeting included the following:

Software Update:

The electronic gate security locking feature has been added to the SVEA management software and is being tested and used at Village pickleball and the Harker pro shop providing court and restroom access respectively.

Harker Pool – The pool was closed after Labor Day Sept 3rd. The Wet Dog Festival was held on Sept 4th. The event was well attended with over sixty dogs present during the 2-hour event. The dive stand and board have incurred damage from the salt water, weather and use. Pricing for a new dive stand and fiberglass board was obtained and added to capital budget. The stand will be stainless steel to prevent rust and the proposed new wood core wrapped fiberglass board should be quieter than the existing aluminum board. The plan is to purchase and install the new equipment next spring.

Village Pool – The pool was closed on Sept 16th due to colder temperatures and additional maintenance. American Leak Detection provided phase one of testing on Sept 5th. A significant leak was found in the deep end around a hydro static relief plug and a contractor has been contacted to change out plugs to proper valves with a tighter seal. Combustion exhaust piping on one of the boilers will be replaced in October due to deterioration. Exterior painting of pool house is scheduled in October.

Ponds/Waterways - Pond cleanup was completed in August to remove algae and debris. Additional culvert cleanup was conducted in the Twin Creeks area to open drainage and minimize potential flooding which occurred last winter in this area. The sonic algae unit and surface aerator will be removed from the Village pond for the winter season. The Village subsurface aerators will be kept operational throughout the winter to assist with fish survival.

Harker Park – The splash pad will be winterized; the park umbrellas and pool furniture will be placed in storage in October. All park game equipment will be removed and stored for winter season.

Tennis Facilities - Pickle Ball – The exterior painting of Harker tennis pro-shop building is scheduled for October. The Har-Tru courts are currently operational but are being monitored due to colder temperatures. All water coolers have been disconnected and stored for winter.

Revenue Comparison – Tennis/Pickleball	2017	-vs-	2018 (as of July 15)
Merchandise	\$ 1,573.50		\$ 1,009.31
Junior Tennis Programs	\$ 2,745.00		\$ 6,590.00
Pickleball Revenues	\$ 12,348.00		\$ 14,410.68
Tennis Lessons	\$ 4,775.00		\$ 8,782.50
Adult Tennis Programs	\$ 14,156.00		\$ 10,885.00
Mixed Evening Socials	\$ 98.10		\$ 72.72
Women's Tennis Programs	\$ 441.45		\$ 1,018.08
Total Revenues	\$ 36,137.05		\$ 42,768.29 +\$6,631.24
			Up over 18% in 2018

Amenity Usage:	2017	-vs-	2018	(as of Labor Day - Sept. 3, 2018)
Harker Pool	10,398		10,345	Down – less than 1%
Harker Tennis	2,672		2,655	Down - less than 1%

Village Pool	8,027	7,796	Down - Approx. 3%
Village Tennis/Pickleball	2,850	3,453	Up - Approx. 21%

(Pickleball 1312 of total in 2018 –
Beginning 7/5/18)

ADC & General Restrictions Compliance Report included new and current construction projects and report on violations processed over the last quarter.

Dues Collections Report indicated there is currently 3 properties over 90 days past due and 5 additional properties that are 120 days past due for a total of 11.3K. Liens and collections procedures have been initiated.

COMMITTEE REPORTS

1. Communications Committee ~ Grady Burnett reported the Communications Committee met on September 20th. A topic of discussion was the SVEA website. In general, everyone is very satisfied with the website functionality and the information provided to the Elkhorn Owners. The Committee members expressed a need for updated photographs to present a more professional appearance. Money has been budgeted in 2018/19 for hiring a professional photographer. The Committee and staff will continue to update and improve the appearance of newsletters and eblasts. Social media, while important, is not being viewed as a high priority by the Committee at this time. Grady reported that Chuck has requested the Committee provide communication assistance on a regular basis to keep owners informed with regard to the tennis court renovations. It is important to convey to all owners the renovations have been planned and scheduled for many years, and that funds have been accumulating to complete this work without a special assessment. Committee members discussed the need for an updated amenity survey. The Committee members will be reviewing and updating the 2010 amenity survey information in preparation for an owner survey in 2019.
2. Executive Committee – No Report.
3. Finance/Long Range Planning Committee ~ Nothing further to report beyond the budget approval. (See Above)
4. Governance Committee ~ No Report.
5. Recreation Committee ~ Anita Northwood stated that she would like the Board to consider allocating additional funds for future programming activities. Sue Ahern reported that the Summer programs started with the Kid's Fishing Derby in July and ended with the Wet Dog Pool Festival after Labor Day. The annual owner's picnic was very well attended, and many positive comments were received. Staff will be reviewing all event and program participation levels and then making revisions and recommendations for the 2019 summer season.
6. Sub Association Liaison Committee – Chuck stated that he attended several of the association annual meetings throughout the summer season. The owners were very receptive and in general expressed overall satisfaction with SVEA. Most frequently, owners inquired about Elkhorn Springs, Elkhorn Inn and the country store. Dave Galloway reported that Bonne Vie owners expressed their concerns about the noise and types of activities taking place at the Elkhorn Inn. Bonne Vie owners were encouraged to contact the City and voice their concerns. Chuck reported that Sun Country Management is starting to reduce their work load and is in the process of releasing some of their Elkhorn association clients as contracts expire. Some Association groups have been asking SVEA staff for advice on potential management candidates. SVEA has provided names of Association managers in Elkhorn; however, no recommendations or endorsements are provided.
7. Tennis ~ Nancy reported that the tennis committee held a meeting on September 11th, at which time they discussed and reaffirmed prior Board and Committee approved plans to proceed with the

conversion of courts 1 and 2 to Har-Tru. The Finance Committee approved allocating funds to complete this project within the 2018/19 capital budget. The Tennis Committee reviewed alternatives including the conversion to pickleball and post tension concrete on courts 1 and 2. The Tennis Committee determined the original plan for Har-Tru court installation is the preferable option. Elkhorn Springs developer, Dave Hennessy, has announced his intention to begin construction as soon as possible. The Tennis Committee agreed with staff's recommendation to advance the renovation schedule for courts 1 and 2 at the Village. The court demolition will begin in October and the Har-Tru courts installed in the spring of 2019. The Committee will review the buildout options for courts 3,4,7 and 8 over the winter months taking into consideration the growing demand for pickleball. The current Board approved development plan includes two pickleball courts. Given the increasing popularity for pickleball, the Committee will meet and revise the current renovation plans. The Tennis Committee will develop alternatives for Board consideration which sufficiently meet current pickleball demand. Pursuant to discussion;

MOTION: Peter Jarvis moved to approve the expedited replacement schedule, recommended by the Tennis Committee, for converting courts 1 and 2 at the Village from asphalt to a Har-Tru clay court surface, Laurie Fitzpatrick seconded, and motion was unanimously approved.

8. Water Committee – No Report

OTHER BUSINESS

None

EXECUTIVE SESSION

MOTION: Peter Jarvis moved to approve the Board convening into Executive Session for the purpose of discussing personnel matters, Karen Curry seconded, and motion passed unanimously.

The Board convened into executive session at approximately 4:00 p.m. and came out of Executive Session at 4:10 p.m. Motions as a result of Executive Session:

MOTION: Karen Curry moved to approve the First Amendment to the 401(K) plan and trust requiring a matching contribution from employees who participate in the 401K plan provided by SVEA, Peter Jarvis seconded, and motion passed unanimously.

MOTION: Nancy Auseklis moved to approve the corporate resolution limiting SVEA participation to 6% of total income of qualified employee participants in the 401K plan, Peter Jarvis seconded, and motion passed unanimously.

MOTION: Peter Jarvis moved to approve authorizing Dave Galloway to write a letter of approval for Chuck Williamson's management company, Information Alternatives, Inc., to accept the Camp at Independence Creek as an association client, Karen Curry seconded, and motion passed unanimously.

ADJOURNMENT

With no further business Dave Galloway adjourned the meeting at 4:10 p.m.

Respectfully Submitted,

/s/ Nancy Auseklis

Nancy Auseklis, SVEA Secretary

SUMMARY OF MOTIONS, DECISIONS & ACTION ITEMS

Motion or Decision	Page #
Motion to approve Financial Reports for June, July & August 2018	2
Motion to approve 2018/19 Operational and Capital Budgets	3
Motion to approve converting Village Tennis Courts 1 and 2 to Har-Tru in 2018/19	6
Motion to Convene in Executive Session for Personnel Matters	6
Motion to approve 401K plan amendment requiring employee matching participation	6
Motion to approve corporate resolution to 401K plan limiting SVEA contribution to 6% of participating employee payroll.	6
Motion to approve allowing Chuck Williamson's management company to accept Camp at Independence Creek as an association client.	6

ACTION ITEMS	
Who	Does What
Chuck	Reach out to Sunrise Owners about Park maintenance.
Chuck	Withdraw request to remove Elkhorn from MLS.
Jon	Install pet waste bag dispensers as approved by the City.
Chuck	Keep Board informed on Elkhorn Springs development and parking.
Chuck/Jon	Initiate rebuild of Village Tennis Courts 1 and 2 to Har-Tru.
Chuck	Send 401K documents to 401K administrators Joe McIntosh and John Ryan

MODIFICATION TO SUMMARY PLAN DESCRIPTION

In order to encourage participation in the Sun Valley Elkhorn Association 401(k) Plan, the Association has added a matching feature. Effective November 1, 2018, the Association will match dollar for dollar each participant's elective deferrals up to 6% of compensation. These contributions and earnings thereon will be held in a separate matching account that will be subject to the plan's 6 year graded vesting schedule. These contributions are subject to the same percentage tests that apply to 401(k) contributions which can result the reduction, cessation, or refund of excess contributions on behalf of "highly compensated employees",

FIRST AMENDMENT TO SUN VALLEY ELKHORN ASSOCIATION

401(K) PLAN AND TRUST

This is the first amendment to the Sun Valley Elkhorn Association 401(k) Plan and Trust (the "Plan"). Employer wishes to add a matching feature. Accordingly, effective November 1, 2018, the Plan is amended as follows.

1. A new Section 3.02 is added to read as follows and current Sections 3.02 through 3.07 are renumbered 3.03 through 3.08.

"3.02 Matching Contributions: Employer shall make a matching contribution to the Plan on behalf of each Participant of 100% of the Participant's elective deferrals under Section 3.01 up to the first 6% of Compensation. Matching contributions allocated to Highly Compensated Employees shall be limited to the extent necessary to meet the percentage tests (the "ACP tests") set forth in Code section 401 (m) (2) and the provisions of Reg. sections 1.401(m)-1(b) and 1.401(m)-2 which are incorporated herein by this reference. Matching contributions shall be made with respect to "catch-up" contributions. A Participant's matching contribution shall be "trued up" at the end of the Plan Year to take into account varying levels of elective deferrals during the Plan Year.

2. New Section 3.04 is amended to read:

"3.04 Payment: Elective deferrals under Section 3.01 shall be paid by the Employer to the Trustee as soon as possible but no later than the 15th business day of the month following the month containing the payroll date. Employer contributions under Sections 3.02 may be paid to the Trust on a monthly basis. Employer contributions under Sections 3.02 and 3.03 shall be paid to the Trust in one or more installments not later than the due date (including extensions) for the filing of Employer's income tax return for the year for which the contributions are made. All contributions are conditioned upon the Plan's initial qualification and upon their deductibility under Code section 404."

3. New Section 3.05 is amended to read:

"3.05 Special Rules - ADP and ACP Tests: For purposes of computing the ADP and ACP tests described in Sections 3.01 and 3.02, the following special rules shall apply. The tests are performed by using the actual deferral and contribution percentages for nonhighly compensated employees ("NHCEs") for the Plan Year being tested. The Employer may elect to use the current Plan Year rather than the preceding Plan Year. For the Plan's first year, the deferral percentage of NHCEs for the preceding Plan Year shall be deemed to be 3% or, at the Employer's election, the actual deferral percentage of NHCEs for such first year. The actual

deferral and contribution percentages of a Participant who makes no elective contribution during the Plan Year shall be taken into account and shall be zero. The ADP and ACP percentages are, at the election of the Employer, computed by using Compensation for the Plan Year, and by using Compensation for the period during which the employee was eligible to participate. Employer elections under this Section apply for all subsequent years unless changed by the Employer and permitted by regulations.”

4. New Section 3.06 is amended to read:

“3.06 Refunds or Reductions: If the Administrator determines that the amount of deferrals with respect to any Participant will exceed the section 402(g) amount or that the deferrals or matching contributions with respect to any Highly Compensated Employee or group of Highly Compensated Employees may exceed the percentage tests applicable thereto, the Administrator may reduce the deferral rate(s) or limit the matching contributions for Highly Compensated Employees in order to bring the Plan into compliance with such tests. Elective contributions on behalf of any Participant in excess of the section 402(g)(5) amount and earnings (except for “gap period” income) thereon shall be refunded to the Participant by April 15 of the year following the calendar year the excess deferrals were made. Contributions that result in the failure to meet the percentage tests under Code sections 401(k)(3) or 401(m)(2) for any plan Year and earnings (except for “gap period” income) thereon shall be refunded within 2 1/2 months following the end of such Plan Year in order to avoid a 10% excise tax on Employer and shall be refunded by the end of the following Plan Year in order to avoid disqualification of the 401(k) arrangement. Such refund(s) shall be first computed by using the “ratio leveling” method and then refunded using the “dollar leveling” method. Any excess deferral or contribution shall be determined after first taking into account previous refunds. Any reasonable method may be used to compute earnings on refunds as long as it is consistently applied for all corrective distributions for the plan Year, the same method used to allocate income and loss to Participants accounts is used, and does not include earnings after the end of the Plan Year. Unmatched 401(k) contributions shall be refunded first, and if matched 401(k) contributions are required to be refunded, the nonvested portion of the matching contribution attributable to the refund shall be forfeited and the vested portion shall be distributed.”

5. A new Subsection (c) shall be added to Section 4.02 to read as follows and current Subsections (c) and (d) are re-lettered (d) and (e).

“(c) Matching Account: A Matching Account to which the Administrator shall credit his allocable share of matching contributions under Section 3.02 together with income, expenses, and gains or losses attributable thereto;”

6. Section 4.04 is amended to read:

“4.04 Elective deferrals shall be allocated to the respective Participants' 401(k) accounts, matching contributions shall be allocated to the respective Participants' Matching Accounts, and profit sharing contributions shall be allocated in the ratio that each Participant's Compensation bears to the total Compensation of all Participants.”

7. Section 4.05 is amended to read:

“4.05 Allocation of Forfeitures: The portion of a former Participant's Profit Sharing or Matching Account that is not distributable to him because of the limited vesting provisions of section 5.05 shall be used first to reduce the Plan's administrative expenses and then reduce the Employer's matching contribution and then reallocated in the same manner as a Profit Sharing contribution would have been allocated.”

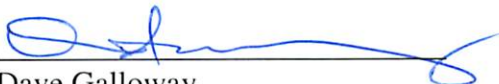
8. “Matching Accounts” shall be subject to the same vesting schedule as Profit Sharing Accounts and reference thereto shall be added to Section 5.04(a).

Date: Sept. 21, 2018

EMPLOYER
SUN VALLEY ELKHORN ASSOCIATION, INC.

By: DAVE GALLOWAY
Its: PRESIDENT

TRUSTEE


Dave Galloway


Karen Curry

**SUN VALLEY ELKHORN ASSOCIATION, INC.
CORPORATE RESOLUTION**

The undersigned, an officer of the Sun Valley Elkhorn Association, Inc., hereby certifies that the following is a complete, true and correct copy of a resolution adopted by the Board of Directors at a meeting held on September 21, 2018 and that this resolution is duly recorded in the minute book of said corporation and has not been altered, amended or revoked.

RESOLVED: That the contribution to the Sun Valley Elkhorn Association, Inc. 401(k) Plan and Trust for the year ended October 31, 2019 **shall be on an employee/employer equal matching basis** up to 6% of the cumulative total salaries of the eligible participants.

FURTHER RESOLVED: That the contribution shall be conditioned on the deductibility of the contribution under Section 404 of the Internal Revenue code. If the Deduction is disallowed, we retain the right to return the contribution to the company within one year after the date the deduction is disallowed.

Certified this 21st day of September 2018.

By: 
Dave Galloway, President

Attest: 
Nancy Auseklis, Secretary

[illegible]