

THE SALT POND GOLF COURSE OPERATIONS, INC.
BOARD OF DIRECTORS MEETING
July 18, 2008

The meeting was called to order by President W. Kester at 12:32 pm in the Community Center.

Attendees:

Board Members present: W. Kester, and J. Kennedy, Secretary
Officers present: R Crawford and M. Headman
Also present: Bruce DeForest, Superintendent and Art Whaley, Golf Pro
Homeowner's present: Bill Loschmann and Jim Wallace

Acceptance of the Prior Minutes: The Minutes of the June 29 Board Meeting were approved.

Superintendent's Report

Bruce reported that the road striping and the installation of an A/C unit for the Snack Bar have been completed. The A/C unit has greatly improved the working environment in the Snack Bar. He also reported that a stop sign for Bethany Loop at the Snack Bar pedestrian crossing to improve safety, as well as signs to show directions to course holes, are on order.

An estimate of \$4200.00 for Golf Course employees to clear brush near hole 16 was submitted to the adjacent homeowner for information. The homeowner will advise Bill Kester if he wants to proceed.

There was an extensive discussion concerning the need for warning signs for the cart paths against walking, jogging, biking, etc. during normal golf playing hours. Given the potential liability issues, the Board approved ordering and installing the signs.

Bruce sought and received approval to continue a past practice for holiday pay for full time employees on the approved holidays. Under this procedure, full time hourly employees are paid for approved holidays. If they work on those days, then they will be paid at a rate 2.5 times their normal rate.

Financials

In the Treasurer's absence, Bill Kester reviewed the June financials, summarized as follows:

. On July 1 TSPGCO made an early prepayment of the note due to Salt Pond Associates for the golf course purchase of \$400,000.00 from a maturing CD. The reduction in overall interest due on the note offset the lower CD rates if the CD had been rolled over.

. TSPGCO was profitable for the month by \$5952.32 after depreciation. Year-to-date (YTD), profits exceeded budget by \$35,000.

. YTD green's fees, cart fees and Pro Shop merchandise revenue is ahead of historical figures as known by Art Whaley. However, due to the membership shortfall TSPGCO is behind internal budgets by \$29,120.

. Expenses are under budget YTD by \$27,000.

. Wages were on target for the month and YTD, reflecting the excellent management effort of both Bruce and Art.

. Revenue through July 15 is ahead of plan by \$1879.

. Cash on hand is improving. In the first quarter, TSPGCO used transferred investment funds for day-to-day operating expenses. So far in the second quarter, current revenue has covered expenses and allowed a \$50,000. transfer of excess cash to a money market account.

OLD BUSINESS

Liquor License

The application for a multiple activities club liquor license has been filed and the public advertisements are being published. The expectation is that a temporary license good for 90 days will issue shortly. Once the temporary license issues all Directors, Officers and employees of TSPGCO will need to obtain an up-to-date server's card, taking the proscribed ABCC course, if necessary.

Snack Bar Operation

Bill Kester reported that the Snack Bar is finally operating at a profit. The number of meals served is up. Further improvement is expected with the issuing of the temporary liquor license.

Ranger Activities

Bill also reported that the newly instituted ranger program for the course has been implemented with the help of volunteers. In the past few days three new volunteers have been recruited to join the ranks. There has been positive feed back from patrons so far.

A request was made to grant rangers free cart fees when playing in return for their work. After discussion, the Board decided to defer the request until year end and consider it for next year.

The Ranger Security Patrol performs its activities on the course from 6-8 pm. They have reported encountering unauthorized play, horse play and some minor vandalism during this time period and they were requesting direction from the Board how to react. After discussion, Bill Loschmann was directed to instruct the patrol members to leave unauthorized individuals on the course unless there is physical damage to the course and in such case ask them to leave the course immediately. If they refuse, call the state police.

Lawsuit by Salt Pond Associates

Salt Pond Associates, the former owner, sued the SPHA to collect \$518.45 for prepaid propane in the tank at closing. This was supposed to have been offset in the closing of the golf course purchase. TSPGCO acknowledged the amount owed, but was trying to resolve it through the still open closing process, but SPA proceeded independently and sued. The bill was paid in full plus \$30.00 in court costs. The matter is closed.

Closing Documents

Jim Kennedy reported that a complete set of the golf course purchase closing documents was finally obtained from the settlement attorneys. If anyone is interested in inspecting them, please contact Jim.

TSPGCO Operations

Jim Kennedy explained the company By-Laws provisions regarding the operation of the company and the election of directors and officers in the future. Under the By-Laws, the TSPGCO Board of Directors has the full authority to operate the company business under its operating budgets approved by the company's sole shareholder, SPHA. New directors and officers will be elected by the SPHA Board on an annual basis. Proposed operating budgets for the next year will be submitted to the SPHA Board annually in the fall of each year for approval. Exceptional matters will be referred to the SPHA Board for action as needed throughout the year.

NEW BUSINESS

New business items were deferred to the next meeting due to lack of time.

ADJOURN

Meeting adjourned at 1:50 pm.

Respectfully Submitted.

J. J. Kennedy
Secretary