

THE SALT POND GOLF CLUB OPERATIONS, INC.
BOARD OF DIRECTORS MEETING
December 7, 2010

The meeting was called to order by President Bill Kester at 1:00 pm in the Salt Pond Community Center.

Attendees:

Board Members present: W. Kester, M. Sewald, C. Gularson, R Crawford and J. Kennedy.

Also present: Bruce DeForest, Superintendent, A. Whaley, Golf Pro., and Wendy Parker, Finance Manager.

2011 BUDGET REVIEW

The Board met to consider a revised version of the 2011 proposed budget in a line-by-line review. Several additional adjustments were made to bring the end product a estimated operating profit, before depreciation, of \$78,181. Depreciation will be budgeted at \$102,000 yielding an expected net profit/(loss) after depreciation of -\$23,819. Wendy was asked to double check the numbers for recirculation to the Board. The Board postponed a final decision approving the budget until the regular monthly meeting on December 17.

CONSIDERATION OF THE CASH NEEDED FOR OPERATION

The Board decided that a review of the cash on hand requirements for the Company's operation would be in order. The SPHA Board had acted in its meeting of May 15, 2009 to hold the remaining cash raised by the \$5000 special assessment to purchase the golf course with TSPGCO "...until the Golf Course is paid in full and we are comfortable with the financial aspects of the Golf Course, including replacement reserves and we have a better knowledge of the Golf Course needs to ensure there are no major unexpected expenditures."

Given that background, the Board determined that it was timely to review cash needs to determine how much cash is needed in the golf business and how, if at all, any excess cash could be returned to SPHA as a return of capital. Chuck Gularson will, with Wendy's assistance examine to current cash on hand and project the likely future cash needs and report back to the Board. Objective: contribute as much as possible to the roads to capture the depreciation for TSPGCO and the entire community.

MODIFICATION OF THE JANUARY MINUTES

The Secretary noted in going through prior Board meeting minutes, that no official record of the final payoff of the golf course land and business was noted in the Minutes for January, 2010. The final installment on Note to SPA for the purchase of The Salt Pond Golf Course was

finally paid off on December 18, 2009 with a payment of \$202,496.58 by SPHA. The Board directed the Secretary to amend the January 15, 2010 Board Minutes to show this payment.

ADJOURNMENT

The meeting adjourned at 2:35 pm.

Respectfully submitted:

James J. Kennedy
Secretary