

R-RANCH AT THE LAKE RANCH OWNERS' ASSOCIATION

ANNUAL BOARD OF DIRECTORS MEETING

AUGUST 5, 1989

The Annual Meeting of the R-Ranch at the Lake Ranch Owners' Associations was called to order by President Jeff Dennis at 11:00 a.m. at 1962 Capell Valley Road, Napa, California on August 5, 1989. Board members present were Jeff Dennis, John Low, Jesse Smyth and Rosemary Epler. Also present were Ruth Cutright, ROA Office Manager and Bob Cutright, Ranch Manager.

The minutes of the last meeting were read by Jeff Dennis and approved as read, with one exception. John Low stated that we will print revisions to rules as they are adopted and pass them out at the gate. This will help keep owners informed of changes to rules between reprinting of the rule book. A copy of the approved minutes will be posted at the lodge.

The Treasurer's Report was read by treasurer John Low. We are approximately 10% over budget overall. This is due mainly to the road improvements and increase in feed costs at the stable. Over all, our cash position is \$140,000 better than the first six months of 1988, thanks mainly to the collections efforts being made. The Treasurers report was approved as read.

Jeff Dennis explained the voting procedure. Each share is allowed five votes for the election of board members. This vote can be split between as many candidates as you wish, or can be proxied to one candidate. A candidate is allowed to vote the proxies as he wishes. Regarding voting on the proposed amendment, one vote per share is allowed.

Mr. Dennis explained the amendment that is proposed. This amendment would change our status for income tax purposes so that we can qualify as a non-profit organization. We have been filing under the wrong section as a Home Owners Association, according to Mr. Low. On the recommendation of the I.R.S., we are contemplating a change to 501C7 of the I.R.S. Code which is a social club organized for pleasure, recreation and similar non-profit purposes. This will eliminate paying income taxes on certain items we are currently taxed on. Financial impact - We could owe some taxes for the past years that need to be corrected. The impact for the 1988 return (which must be filed by 9/12/89) could be a savings of approximately \$14,000.00.

There was considerable audience discussion on this amendment. A motion was made that we table voting and get the opinion of an attorney on this matter. John Low pointed out that if no decision was made today, we would have to reconvene before the end of the month to vote because we must file the tax return. Vote by show of hands whether or not to table the amendment and consult an attorney. Vote was to not consult an attorney.

It was moved and seconded from the audience that we vote on the amendment. Ballots were marked and collected for counting.

Mr. Dennis introduced the candidates that had previously declared their intent to run for a position on the board, and also asked for any nominees from the audience. Each candidate was introduced and gave a short speech on why they were running.

Nominees: Bruce MacLeod
Walter Mullen
John Low
Rosemary Epler
Jeff Dennis
Richard Webb
Joan Strain
George Theriault

Mr. Dennis read the result of the proxy vote count which had taken place the previous evening.

Bruce MacLeod - 1 vote (write-in candidate)
Jeff Dennis - 3,525 votes
John Low - 79 1/2 votes
Rosemary Epler - 68 1/2 votes
Walt Mullen - 53 votes

Mr. Dennis announced that he was going to transfer 200 votes to John Low, and no votes to any other candidate. This way the board would be elected by popular vote of the audience. The ballots were marked and collected for counting.

Mr. Dennis introduced our new Ranch Manager, Bob Cutright. He also explained to the audience that Mr. Belanger, our former manager, was transferred to R-Ranch in the Sequoias due to an accident that happened to the Ranch Manager at that location. This could be a temporary or permanent move, depending on the health of the other manager.

Bob Cutright introduced himself and gave a brief recount of his history on the ranch and his plans now that he is manager.

The vote count on the proposed amendment was read. 598 in favor; 13 against. We need 621 votes to pass. Short 23 votes. It was moved to keep the vote open for 10 days to count any votes that come in the mail to the ROA office or Mr. Dennis' office, and to solicit votes from any owners present on the ranch who were eligible to vote but did not attend the meeting. Approved by a show of hands.

Open Forum:

1. It was suggested that we send ballots to those owners not present who are eligible to vote to get the required votes needed to pass the amendment.
2. Suggestion was made that we cover part of the latticed area of the deck to provide more shade at the pool. Bob Cutright to check into the cost of this.

3. It was suggested that we have social events during the week such as cards, games, crafts, etc. Bob Cutright to look into this for the summer months.
4. Mike Mooney asked Jeff Dennis how the decision was made to transfer Mr. Belanger to the other ranch. Mr. Dennis explained that the CC&R's state that we elect a Board of Directors and that the Board President (Mr. Dennis) has the authority to appoint a manager. The decision to move Mr. Belanger was his responsibility.
5. Owner Tom Bower brought up the locker storage suggestion again. It had been tabled at our April meeting as being unfeasible. He wishes for the Board to look into this suggestion again. Bob Cutright is to try and determine the cost, etc. of putting in some kind of storage. It was pointed out again that we cannot charge for these types of improvements.
6. Owner Ron Reese discussed the stables. It is his opinion that we should increase the budget for this area next year as it is one of the highest use areas on the Ranch. John Low noted that the budget had been increased last year. Feed prices skyrocketed. We will study the stable operation closely before we form the new budget.
7. A new owner noted that there is a problem regarding rules and regulations; she said some sales people have given misleading information. Rule books should be read by all new owners; we have many rules and some are confusing. Also brought up were: situation at pool with no life guard; noise in cabin area with people going to bed at different times; drinking by employees at dances and other areas on the ranch. Mr. Dennis noted that if the owner did not wish to be specific and name names we could not solve the problem. Bob Cutright noted that one employee had been terminated for drinking and that he has set guidelines for the employees and has gone over them with the employees. In regard to the lifeguard, he has been unable to hire anyone this year due to low wages and no housing available. Jeff Dennis noted that there is no law that says we have to have a lifeguard; we have had pool attendants.
8. Joan Strain expressed her concern at the way Bob Belanger left the ranch. We lost four employees when he went since his family was all employed here. Also, several employees expressed a desire to leave and go with him. Mr. Dennis stated that we could not stop his family from going with him and that no other employees were being hired from Napa at this time.

Ms. Strain also discussed the party area (Mooney Flats). Feels that there should be an age limit of 18 years of age to camp out there. No drinking will be condoned by those under 21.

9. Janet Parks expressed that there is a need for more horses and tack at the barns now that we have more owners coming up and using the facilities. Gene Hackett, our new wrangler noted that we have 50 head of horses currently on the string. We could increase the string by 20 head at a cost of approximately \$1,000.00 per horse. The Board will look into increasing the string for next year.

10. Jim Hart applauded Bob Cutright for stepping in and doing a great job on such short notice. General approval from the audience on this point.

Mr. Hart brought up several areas on the Ranch that he feels the developer has not met his obligations. (BBQ's, picnic tables, horses, etc.) Mr. Dennis pointed out that BBQ's were installed and that the balance we have stored will be installed. The number of horses promised in the sub report is 50; we had 75 at one point. More new picnic tables are being purchased and we will get the ones from sales area when they are finished. Jeff stated that Mr. Hart used to be one of his salesman and always has something to gripe about.

11. Stella Speiker questioned why they were not eligible to vote. They are new owners as of July. Jeff Dennis explained that the by-laws state that you must be the owner of record 30 days prior to the date of the annual meeting.

12. Owner Gretchen Muller responded to a previous owners comments regarding employee behavior. She feels that some owners treat employees very badly. Owners need to realize that many employees live on the ranch and this is their home when they are off duty. We need to take care of our Staff and treat them fairly if we want to keep them.

13. Owner Theresa Willard spoke about some of the promises made by sales. All owners should remember to read their rule books and CC&R's. Rules are for the good of all and serve as guidelines for a smooth operating ranch. If you have any problems, check with the Staff or Ranch Manager first.

Suggestion was made that we look into possibly scheduling horseback riding a day in advance during the busy season.

Also suggested that we work on getting more organized activities for the small children. Perhaps the parents can help in the organization of some activities.

14. New Owner stated that the Ranch is for the owners use. Guests should not be able to ride or use other facilities ahead of the owners. Also feels that the employees are doing a great job; owners need to clean up more after themselves.
15. An Owner brought up the point that ALL suggestions will cost money to implement. He said we need to appreciate how much we do have and stop looking for things to complain about. We have a great ranch here.
16. John Low suggested that we look into the possibility of leasing or buying a modular building to use for a teen center for ages 13 - 20. He will look into the cost and feasibility.

In response to the owner who suggested that we do more for our employees, he noted that we have increased some benefits already and will continue to work on it in the new budget.

Jeff Dennis announced the results of the voting on the Board of Directors. New Board:

Jeff Dennis
Rosemary Epler
Walt Mullen
Rich Webb
John Low

There being no further business, the meeting was adjourned at 1:15 pm.

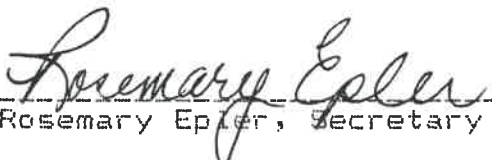
NOTE: At the end of the meeting we still needed 16 votes to pass the amendment. Several owners were working on getting these votes. Ruth Cutright advised me that by the end of the weekend we had enough votes to pass the amendment.

EXECUTIVE SESSION: Following Directors were elected for the next year:

Jeff Dennis - President
Walt Mullen/Rich Webb - Vice President
Rosemary Epler - Secretary
John Low - Treasurer

RESPECTFULLY SUBMITTED:

APPROVED:



Rosemary Epler, Secretary



Jeff Dennis, President

R-RANCH AT THE LAKE RANCH OWNERS' ASSOCIATION

ANNUAL BOARD OF DIRECTORS MEETING

AUGUST 5, 1989

The Annual Meeting of the R-Ranch at the Lake Ranch Owners' Associations was called to order by President Jeff Dennis at 11:00 a.m. at 1962 Capell Valley Road, Napa, California on August 5, 1989. Board members present were Jeff Dennis, John Low, Jesse Smyth and Rosemary Epler. Also present were Ruth Cutright, ROA Office Manager and Bob Cutright, Ranch Manager.

The minutes of the 1988 meeting were read as read, with one exception. There were two revisions to rules and regulations. This will help keep the minutes from requiring reprinting of the rules and regulations posted at the lodge.

The Treasurer's Report for 1988 was approved. It shows approximately 10% of improvements and increased cash position is \$14,000.00. Thanks mainly to the report was approved.

Jeff Dennis explained the election process. There are five votes for the election. A candidate is allowed to vote the proxies as he wishes. Regarding voting on the proposed amendment, one vote per share is allowed.

Mr. Dennis explained the amendment that is proposed. This amendment would change our status for income tax purposes so that we can qualify as a non-profit organization. We have been filing under the wrong section as a Home Owners Association, according to Mr. Low. On the recommendation of the I.R.S., we are contemplating a change to 501C7 of the I.R.S. Code which is a social club organized for pleasure, recreation and similar non-profit purposes. This will eliminate paying income taxes on certain items we are currently taxed on. Financial impact - We could owe some taxes for the past years that need to be corrected. The impact for the 1988 return (which must be filed by 9/12/89) could be a savings of approximately \$14,000.00.

There was considerable audience discussion on this amendment. A motion was made that we table voting and get the opinion of an attorney on this matter. John Low pointed out that if no decision was made today, we would have to reconvene before the end of the month to vote because we must file the tax return. Vote by show of hands whether or not to table the amendment and consult an attorney. Vote was to not consult an attorney.

It was moved and seconded from the audience that we vote on the amendment. Ballots were marked and collected for counting.

Rush - Revised per Jeff - minor means sentence was deleted means changed or added

See you Sat - 9am in office then 11am to General

MY DESK, MY MESS, MY BUSINESS

PLEASE GIVE COPY TO RICH

approved
rint
the gate.
een
will be
re
o the road
all, our
f 1988,
easurers
llowed five
plit

Mr. Dennis introduced the candidates that had previously declared their intent to run for a position on the board, and also asked for any nominees from the audience. Each candidate was introduced and gave a short speech on why they were running.

Nominees: Bruce MacLeod
Walter Mullen
John Low
Rosemary Epler
Jeff Dennis
Richard Webb
Joan Strain
George Theriault

Mr. Dennis read the result of the proxy vote count which had taken place the previous evening.

Bruce MacLeod - 1 vote (write-in candidate)
Jeff Dennis - 3,525 votes
John Low - 79 1/2 votes
Rosemary Epler - 68 1/2 votes
Walt Mullen - 53 votes

Mr. Dennis announced that he was going to transfer 200 votes to John Low, and no votes to any other candidate. This way the board would be elected by popular vote of the audience. The ballots were marked and collected for counting.

Dennis introduced our new Ranch Manager, Bob Cutright. He also explained to the audience that Mr. Belanger, our former manager, was transferred to R-Ranch in the Sequoias due to an accident that happened to the Ranch Manager at that location. This could be a temporary or permanent move, depending on the health of the other manager.

Bob Cutright introduced himself and gave a brief recount of his history on the ranch and his plans now that he is manager.

The vote count on the proposed amendment was read. 598 in favor; 13 against. We need 621 votes to pass. Short 23 votes. It was moved to keep the vote open for 10 days to count any votes that come in the mail to the RDA office or Mr. Dennis' office, and to solicit votes from any owners present on the ranch who were eligible to vote but did not attend the meeting. Approved by a show of hands.

Open Forum:

1. It was suggested that we send ballots to those owners not present who are eligible to vote to get the required votes needed to pass the amendment.
2. Suggestion was made that we cover part of the latticed area of the deck to provide more shade at the pool. Bob Cutright to check into the cost of this.

3. It was suggested that we have social events during the week such as cards, games, crafts, etc. Bob Cutright to look into this for the summer months.
4. Mike Mooney asked Jeff Dennis how the decision was made to transfer Mr. Belanger to the other ranch. Mr. Dennis explained that the CC&R's state that we elect a Board of Directors and that the Board President (Mr. Dennis) has the authority to appoint a manager. The decision to move Mr. Belanger was his responsibility.
5. Owner Tom Bower brought up the locker storage suggestion again. It had been tabled at our April meeting as being unfeasible. He wishes for the Board to look into this suggestion again. Bob Cutright is to try and determine the cost, etc. of putting in some kind of storage. It was pointed out again that we cannot charge for these types of improvements.
6. Owner Ron Reese discussed the stables. It is his opinion that we should increase the budget for this area next year as it is one of the highest use areas on the Ranch. John Low noted that the budget had been increased last year. Feed prices skyrocketed. We will study the stable operation closely before we form the new budget.
7. A new owner noted that there is a problem regarding rules and regulations; she said some sales people have given misleading information. Rule books should be read by all new owners; we have many rules and some are confusing. Also brought up were: situation at pool with no life guard; noise in cabin area with people going to bed at different times; drinking by employees at dances and other areas on the ranch. Mr. Dennis noted that if the owner did not wish to be specific and name names we could not solve the problem. Bob Cutright noted that one employee had been terminated for drinking and that he has set guidelines for the employees and has gone over them with the employees. In regard to the lifeguard, he has been unable to hire anyone this year due to low wages and no housing available. Jeff Dennis noted that there is no law that says we have to have a lifeguard; we have had pool attendants.
8. Joan Strain expressed her concern at the way Bob Belanger left the ranch. We lost four employees when he went since his family was all employed here. Also, several employees expressed a desire to leave and go with him. Mr. Dennis stated that we could not stop his family from going with him and that no other employees were being hired from Napa at this time.

Ms. Strain also discussed the party area (Mooney Flats). Feels that there should be an age limit of 18 years of age to camp out there. No drinking will be condoned by those under 21.

9. Janet Parks expressed that there is a need for more horses and tack at the barns now that we have more owners coming up and using the facilities. Gene Hackett, our new wrangler noted that we have 50 head of horses currently on the string. We could increase the string by 20 head at a cost of approximately \$1,000.00 per horse. The Board will look into increasing the string for next year.

10. Jim Hart applauded Bob Cutright for stepping in and doing a great job on such short notice. General approval from the audience on this point.

Mr. Hart brought up several areas on the Ranch that he feels the developer has not met his obligations. (BBQ's, picnic tables, horses, etc.) Mr. Dennis pointed out that BBQ's were installed and that the balance we have stored will be installed. The number of horses promised in the sub report is 50; we had 75 at one point. More new picnic tables are being purchased and we will get the ones from sales area when they are finished. Jeff stated that Mr. Hart used to be one of his salesman and always has something to gripe about.

11. Stella Speiker questioned why they were not eligible to vote. They are new owners as of July. Jeff Dennis explained that the by-laws state that you must be the owner of record 30 days prior to the date of the annual meeting.

12. Owner Gretchen Muller responded to a previous owners comments regarding employee behavior. She feels that some owners treat employees very badly. Owners need to realize that many employees live on the ranch and this is their home when they are off duty. We need to take care of our Staff and treat them fairly if we want to keep them.

13. Owner Theresa Willard spoke about some of the promises made by sales. All owners should remember to read their rule books and CC&R's. Rules are for the good of all and serve as guidelines for a smooth operating ranch. If you have any problems, check with the Staff or Ranch Manager first.

Suggestion was made that we look into possibly scheduling horseback riding a day in advance during the busy season.

Also suggested that we work on getting more organized activities for the small children. Perhaps the parents can help in the organization of some activities.

14. New Owner stated that the Ranch is for the owners use. Guests should not be able to ride or use other facilities ahead of the owners. Also feels that the employees are doing a great job; owners need to clean up more after themselves.
15. An Owner brought up the point that ALL suggestions will cost money to implement. He said we need to appreciate how much we do have and stop looking for things to complain about. We have a great ranch here.
16. John Low suggested that we look into the possibility of leasing or buying a modular building to use for a teen center for ages 13 - 20. He will look into the cost and feasibility.

In response to the owner who suggested that we do more for our employees, he noted that we have increased some benefits already and will continue to work on it in the new budget.

Jeff Dennis announced the results of the voting on the Board of Directors. New Board:

Jeff Dennis
Rosemary Epler
Walt Mullen
Rich Webb
John Low

There being no further business, the meeting was adjourned at 1:15 pm.

NOTE: At the end of the meeting we still needed 16 votes to pass the amendment. Several owners were working on getting these votes. Ruth Cutright advised me that by the end of the weekend we had enough votes to pass the amendment.

EXECUTIVE SESSION: Following Directors were elected for the next year:

Jeff Dennis - President
Walt Mullen/Rich Webb - Vice President
Rosemary Epler - Secretary
John Low - Treasurer

RESPECTFULLY SUBMITTED:

APPROVED:

Rosemary Epler, Secretary

Jeff Dennis, President

Ruth

R-RANCH AT THE LAKE RANCH OWNERS' ASSOCIATION

ANNUAL BOARD OF DIRECTORS MEETING

AUGUST 5, 1989

The Annual Meeting of the R-Ranch at the Lake Ranch Owners' Associations was called to order by President Jeff Dennis at 11:00 a.m. at 1962 Capell Valley Road, Napa, California on August 5, 1989. Board members present were Jeff Dennis, John Low, Jesse Smyth and Rosemary Epler. Also present were Ruth Cutright, ROA Office Manager and Bob Cutright, Ranch Manager.

The minutes of the last meeting were read by Jeff Dennis and approved as read, with one exception. John Low stated that we will print revisions to rules as they are adopted and pass them out at the gate. This will help keep owners informed of changes to rules between reprinting of the rule book. A copy of the approved minutes will be posted at the lodge.

The Treasurer's Report was read by treasurer John Low. We are approximately 10% over budget overall. This is due mainly to the road improvements and increase in feed costs at the stable. Over all, our cash position is \$140,000 better than the first six months of 1988, thanks mainly to the collections efforts being made. The Treasurers report was approved as read.

Jeff Dennis explained the voting procedure. Each share is allowed five votes for the election of board members. This vote can be split between as many candidates as you wish, or can be proxied to one candidate. A candidate is allowed to vote the proxies as he wishes. Regarding voting on the proposed amendment, one vote per share is allowed. Jeff Dennis can vote his proxy votes, but cannot vote the shares he has for resale.

Mr. Dennis explained the amendment that is proposed. This amendment would change our status for income tax purposes so that we can qualify as a non-profit organization. We have been filing under the wrong section as a Home Owners Association. On the recommendation of the I.R.S., we are contemplating a change to 501C7 of the I.R.S. Code which is a social club organized for pleasure, recreation and similar non-profit purposes. This will eliminate paying income taxes on certain items we are currently taxed on. Financial impact - We could owe some taxes for the past years that need to be corrected. The impact for the 1988 return (which must be filed by 9/12/89) could be a savings of approximately \$14,000.00.

There was considerable audience discussion on this amendment. A motion was made that we table voting and get the opinion of an attorney on this matter. John Low pointed out that if no decision was made today, we would have to reconvene before the end of the month to vote because we must file the tax return. Vote by show of hands whether or not to table the amendment and consult an attorney. Vote was to not consult an attorney.

It was moved and seconded from the audience that we vote on the amendment. Ballots were marked and collected for counting.

Mr. Dennis introduced the candidates that had previously declared their intent to run for a position on the board, and also asked for any nominees from the audience. Each candidate was introduced and gave a short speech on why they were running.

Nominees: Bruce MacLeod
Walter Mullen
John Low
Rosemary Epler
Jeff Dennis
Richard Webb
Joan Strain
George Theriault

Mr. Dennis read the result of the proxy vote count which had taken place the previous evening.

Bruce MacLeod - 1 vote (write-in candidate)
Jeff Dennis - 3,525 votes
John Low - 79 1/2 votes
Rosemary Epler - 68 1/2 votes
Walt Mullen - 53 votes

Mr. Dennis announced that he was going to transfer 200 votes to John Low, and no votes to any other candidate. This way the board would be elected by popular vote of the audience. The ballots were marked and collected for counting.

Mr. Dennis introduced our new Ranch Manager, Bob Cutright. He also explained to the audience that Mr. Belanger, our former manager, was transferred to R-Ranch in the Sequoias due to an accident that happened to the Ranch Manager at that location. This could be a temporary or permanent move, depending on the health of the other manager.

Bob Cutright introduced himself and gave a brief recount of his history on the ranch and his plans now that he is manager.

The vote count on the proposed amendment was read. 598 in favor; 13 against. We need 621 votes to pass. Short 23 votes. It was moved to keep the vote open for 10 days to count any votes that come in the mail to the ROA office or Mr. Dennis' office, and to solicit votes from any owners present on the ranch who were eligible to vote but did not attend the meeting. Approved by a show of hands.

Open Forum:

1. It was suggested that we send ballots to those owners not present who are eligible to vote to get the required votes needed to pass the amendment.
2. Suggestion was made that we cover part of the latticed area of the deck to provide more shade at the pool. Bob Cutright to check into the cost of this.

3. It was suggested that we have social events during the week such as cards, games, crafts, etc. Bob Cutright to look into this for the summer months.
4. Mike Mooney asked Jeff Dennis how the decision was made to transfer Mr. Belanger to the other ranch. Mr. Dennis explained that the CC&R's state that we elect a Board of Directors and that the Board President (Mr. Dennis) has the authority to appoint a manager. The decision to move Mr. Belanger was his responsibility.
5. Owner Tom Bower brought up the locker storage suggestion again. It had been tabled at our April meeting as being unfeasible. He wishes for the Board to look into this suggestion again. Bob Cutright is to try and determine the cost, etc. of putting in some kind of storage. It was pointed out again that we cannot charge for these types of improvements.
6. Owner Ron Reese discussed the stables. It is his opinion that we should increase the budget for this area next year as it is one of the highest use areas on the Ranch. John Low noted that the budget had been increased last year. Feed prices skyrocketed. We will study the stable operation closely before we form the new budget.
7. A new owner noted that there is a problem regarding rules and regulations; some sales people have given misleading information. Rule books should be read by all new owners; we have many rules and some are confusing. Also brought up were: situation at pool with no life guard; noise in cabin area with people going to bed at different times; drinking by employees at dances and other areas on the ranch. Mr. Dennis noted that if the owner did not wish to be specific and name names we could not solve the problem. Bob Cutright noted that one employee had been terminated for drinking and that he has set guidelines for the employees and has gone over them with the employees. In regard to the lifeguard, he has been unable to hire anyone this year due to low wages and no housing available. Jeff Dennis noted that there is no law that says we have to have a lifeguard; we have had pool attendants.
8. Joan Strain expressed her concern at the way Bob Belanger left the ranch. We lost four employees when he went since his family was all employed here. Also, several employees expressed a desire to leave and go with him. Mr. Dennis stated that we could not stop his family from going with him and that no other employees were being hired from Napa.

Ms. Strain also discussed the party area (Mooney Flats). Feels that there should be an age limit of 18 years of age to camp out there. No drinking will be condoned by those under 21.

9. Janet Parks expressed that there is a need for more horses and tack at the barns now that we have more owner coming up and using the facilities. Gene Hackett, our new wrangler noted that we have 50 head of horses currently on the string although not all of them are well and on the string at the same time. We could increase the string by 20 head at a cost of approximately \$1,000.00 per horse. The Board will look into increasing the string for next year.
10. Jim Hart applauded Bob Cutright for stepping in and doing a great job on such short notice. General approval from the audience on this point.

Mr. Hart brought up several areas on the Ranch that he feels the developer has not meet his obligations. (BBQ's, picnic tables, horses, etc.) Mr. Dennis pointed out that BBQ's were installed and that the balance we have stored will be installed. The number of horses promised in the sub report is 50; we had 75 at one point. More new picnic tables are being purchased and we will get the ones from sales area when they are finished.

11. Stella Speiker questioned why they were not eligible to vote. They are new owners as of July. Jeff Dennis explained that the by-laws state that you must be the owner of record 30 days prior to the date of the annual meeting.
12. Owner Gretchen Muller responded to a previous owners comments regarding employee behavior. She feels that some owners treat employees very badly. Owners need to realize that many employees live on the ranch and this is their home when they are off duty. We need to take care of our Staff and treat them fairly if we want to keep them.
13. Owner Theresa Willard spoke about some of the promises made by sales. This seems to be an ongoing problem with so many new owners. All owners should remember to read their rule books and CC&R's. Rules are for the good of all and serve as guidelines for a smooth operating ranch. If you have any problems, check with the Staff or Ranch Manager first.

Suggestion was made that we look into possibly scheduling horseback riding a day in advance during the busy season.

Also suggested that we work on getting more organized activities for the small children. Perhaps the parents can help in the organization of some activities.

14. New Owner stated that the Ranch is for the owners use. Guests should not be able to ride or use other facilities ahead of the owners. Also feels that the employees are doing a great job; owners need to clean up more after themselves.
15. An Owner brought up the point that ALL suggestions will cost money to implement. We need to appreciate how much we do have and stop looking for things to complain about. We have a great ranch here.
16. John Low suggested that we look into the possibility of leasing or buying a modular building to use for a teen center for ages 13 - 20. He will look into the cost and feasibility.

In response to the owner who suggested that we do more for our employees, he noted that we have increased some benefits already and will continue to work on it in the new budget.

Jeff Dennis announced the results of the voting on the Board of Directors. New Board:

Jeff Dennis
Rosemary Epler
Walt Mullen
Rich Webb
John Low

There being no further business, the meeting was adjourned at 1:15 pm.

NOTE: At the end of the meeting we still needed 16 votes to pass the amendment. Several owners were working on getting these votes. Ruth Cutright advised me that by the end of the weekend we had enough votes to pass the amendment.

RESPECTFULLY SUBMITTED:

APPROVED:

Rosemary Epler, Secretary

Jeff Dennis, President

John Low,
Member of the Board
Ranch Owner Association
R-Ranch at the Lake, Ltd.

August 05 1989
Push
Need address & Name
of someone at
Hornbrook that
could give me info -
Also any suggestions?
6

I would appreciate your support for the idea I presented to the Board earlier today for "locker" type storage for those members of us who use the cabins at R-Ranch and who appreciate not having to pack and bring everything with them each time. Although it's true, as Mr. Dennis, stated, that this would present logistic problems if all 1800 members wished to use locker storage - however the demand by the owners for locker storage would probably be much less than 1800 - just as fewer than 1800 require boat storage.

We should approach this creatively - perhaps by opening up a new concession like the store or the snack bar - or perhaps by using the Horn Brook storage as a model - any thing would be better than nothing which is exactly what we now have. Incidentally, when I purchased my share in 1982 from Jack McAllister Jack did promise that R-Ranch at the Lake would have "locker" type storage and a code house - either of which materialized - I'm only interested in the storage. Call me - if you would like to discuss this matter - I hope that you support this cause.

Thank you

Tom Bower

T.A. Bower - Share #54
754 Dubanski Drive
San Jose California 95123
(408) 225-5588