

**R-Ranch at the Lake
Napa, California**

Board of Directors Meeting
February 26, 1995
1:00 p.m.

The meeting was called to order in the R-Ranch Lodge by President Barry Bremner at 1:10 p.m. All board members were present: Barry Bremner, Jeff Dennis, Jack Hardesty, Karen Silveira, and Judy McMurry.

A recap of the Executive Board Meeting was given by Barry Bremner. The recap covered Jack Hardesty selling shares for R-Ranch and the fact that Don Jones will be resigning as Ranch Manager.

Karen Silveira read the highlights of the minutes of both the August 6, 1994 and October 2, 1994 Board meetings. Judy McMurry stated that she would like to add a statement to the October 2, 1994 minutes on page 2 in the paragraph beginning with *Don Jones stated...and now \$175,000 is needed to catch up* - signifying that there was more discussion regarding this subject and that she was not in complete agreement with the minutes as they stood. It was brought to a vote and passed with all member in favor to include a statement regarding her concerns.

Judy McMurry gave the Treasurer's report, but stated that she was unprepared to do so.

Ranch Manager, Don Jones, reported on 1994 cost control: operating expense was .9% over approved budget; total cash outlay was 1.32% over budget (the 1994 budget was \$97,650 less than 1993); cash out was 3% more than cash in.

Terry Plank gave a report on the collections program.

Old Business

Rosemary Epler explained the new guest pass proposal which would be \$5.00 per night with a \$5.00 minimum if the guest does not spend the night. This proposal was put to a vote with all members in favor.

There was a discussion about Rules #8 and #9 of the West Barn Rules which state that horses are to be out of the barn by 10:00 p.m. every night except for unusual circumstances such as illness or injury. It was asked that these rules extend to coincide with daylight savings time. All members voted in favor of this change.

Jay Aiken gave a presentation on the status of the Grow, Green, Graze program and herd management. Fencing, etc. to complete this program is owed by the horseowners to R-Ranch and will be repaid to R-Ranch on a monthly basis by the horse owners. Jay went over the program thoroughly from the past to the present addressing the location of the different pastures and possible owners' concerns.

Capell Valley School has requested to use R-Ranch for a fund-raising dinner/dance at the Lodge at R-Ranch the first week in May. They are planning to provide a dinner of chicken or ribs and will serve beer, wine, and sodas. A guest may come to the dinner and dance, or the dance only. They are going to hire a band and the event will include a raffle. R-Ranch owners and families would be allowed in at any age with dinner tickets purchased at a discount and free admission to the dance. This proposal was brought to a vote with all members in favor.

The past grandchild issue was brought up for discussion. Barry Bremner asked Rosemary Epler to review this issue and bring it up at the next meeting.

New Business

Jeff Dennis brought up the Operations Manager/Business Manager model for discussion since Don Jones will be leaving as R-Ranch Manager, and he discussed how this is done at other ranches. The plan is that one Board member will oversee the Business Manager and another Board member will oversee the Operations Manager. It was suggested to have a trial basis of this plan for six months at R-Ranch. This plan would start immediately. The Operations Manager/Business Manager proposal was brought to a vote and all members were in favor.

Don Jones brought up the matter of establishment of a Delinquent Assessment Collection Fund which would handle all collections' costs along with receiving payments in proper yearly categories in order to gain better control of costs and be able to better present status of collections in the future. All costs for the process of collections would come out of this fund instead of the operating fund for the Ranch. This proposal was brought to a vote with all members in favor.

Don Jones thanked owners for all their help during the time he has been Ranch Manager and especially commended Jay and Caroline Aiken, Mark Brown, Pat Buckman, Dot Chauvin, Nellie Cartwright, John and Rosemary Epler, J.T. Hanks, Carol Hardesty, John Massei, Joan Strain, and Shirley Jones for all their help and dedication to R-Ranch these past years. Don also commended the crew and stated that some have been made supervisors since he has been Ranch Manager and have stayed together and worked marvelously together the past three years.

The meeting was then adjourned for Open Forum.

Open Forum

Owners took numbers and stood in number order to speak for a maximum of three minutes.

Caroline Aiken commended owners and employees that helped out during the flood and expressed how she appreciated all the help.

Mike Rooney stated that Area F should not be used for horses.

Suki Jackson commended Don Jones on his excellent work as Ranch Manager and stated that there was a problem with how the Treasurer's Report was given.

Judy McMurry gave a rebuttal to this and read the Consolidated Cash Report.

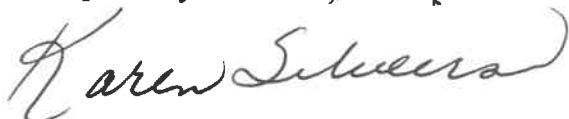
John Low stated that he thinks the Ranch is still running in the red.

Clay White talked about Treasurer's Report problem.

Diane Barber talked about the Board not communicating with each other well.

The Open Forum was then adjourned.

Respectfully submitted,



Karen Silveira
Secretary
Board of Directors

Approved:



Barry Bremner
President
Board of Directors

**R-Ranch at the Lake
Napa, California**

**Minutes of the Executive Board Meeting
Board of Directors
Ranch Owners' Association
February 26, 1995**

The meeting was called to order by President Barry Bremner at 12:05 p.m. All members were present: Barry Bremner, Jeff Dennis, Jack Hardesty, Karen Silveira, and Judy McMurry. Ranch Manager, Don Jones, was also in attendance.

Jack Hardesty re-confirmed his role as agent for selling R-Ranch shares for the Ranch Owners' Association. He stated that he had had a recent tour of Napa Valley Bank and talked to Don Whitehair about financing of Ranch shares. He gave board members his marketing sheets and new business cards. It was stated that R-Ranch shares would be sold for the same price that Jeff Dennis sells shares.

Jack also stated that the Ad Hoc Equine Committee had a plan that would be brought up in the General Meeting. Work is almost completed on separating horses into different pastures numbered A-G in groups of 8-10 horses for better management. A plan was passed out and also the minutes of the last Ad Hoc Equine Committee meeting. The plan showed the pasture management in graphic form. It was decided by the Executive Board to extend Rule #8 and #9 of the West Barn Guidelines/Rules to correspond with the beginning and ending of daylight savings time since this plan has worked so well over the past months.

A new guest pass proposal was discussed which would charge \$5.00 per day/night per person.

Don Jones' proposal to resign as Ranch Manager was discussed, along with what to do in the future since he will no longer be Ranch Manager. Jeff Dennis stated that there had been problems at another ranch with the manager and business manager and that they were going to a model of business manager and operations manager without having an actual ranch manager, and perhaps that is what R-Ranch should do at this point in time, or at least give it a trial period.

The discipline hearing for alleged harassment of employees by Luigi Bellini was postponed.

The meeting was adjourned at 1:00 p.m. to go into the General Board Meeting in the Lodge.

After the General Board Meeting the members of the Board gathered again in Don Jones' office to see a presentation by a representative of Merrill Lynch, John V. Heflebower. He showed how R-Ranch could use a working capital management account through Merrill Lynch which could have

a positive cash management for the Ranch. Members thanked John for his presentation and stated that if the Ranch decided to pursue this further, he would be contacted.

After the Merrill Lynch representative left the members of the Board talked about the lack of communication between the Treasurer and other members and how the General Board Meeting did not go well. Judy McMurry tendered her resignation at one point in the discussion but it was not accepted at that time. There was quite a lot of discussion about this matter and about how the Board members need to communicate and work together before presenting anything to the General Board Meeting with owners present.

*Respectfully submitted,
Karen Silveira*

Provy Brewer

From: BARRY BREMNER at 415-457-7865
To: 1-707-252-0143

02-16-95 11:48 am
001 of 001

R-RANCH AT THE LAKE
1962 CAPELL VALLEY RD.
NAPA, CA 94558

DATE: FEBRUARY 15, 1995
TO: MR. LUIGI BELLINI, OWNER #564
FROM: BARRY BREMNER, ROA BOARD PRESIDENT
SUBJECT: DISCIPLINARY HEARING

IT HAS BEEN BROUGHT TO THE BOARD'S ATTENTION THAT ON FEBRUARY 11TH 1995 YOU CONDUCTED YOURSELF IN A MANNER THAT VIOLATED THE RULES AND REGULATIONS OF R-RANCH. AFTER SPEAKING WITH RANCH MANAGEMENT, OWNERS, AND EMPLOYEES WHO WERE PRESENT I AM ADVISING YOU THAT A DISCIPLINARY HEARING WILL BE HELD ON FEBRUARY 26, 1995 AT 12:30 P.M. IN THE RANCH MANAGERS OFFICE.

YOU MAY WISH TO PRESENT YOUR VIEWS IN WRITING PRIOR TO THAT MEETING, OR YOU MAY WISH TO ATTEND THE MEETING IN PERSON. IF YOU DO NOT CHOOSE TO ATTEND, YOU WILL BE SUBSEQUENTLY INFORMED OF THE BOARD'S DECISION.

BARRY BREMNER

R. O. A BOARD PRESIDENT

CC: ALL BOARD MEMBERS
DON JONES, PAUL ADAMS

*Received of
copies sent*
FEB. 16 1995

D. Janshidy

R-Ranch at the Lake
1962 Capell Valley Road
Napa, CA 94558

Date: February 14, 1995
To: Barry Bremner, ROA Board President
From: Ranch Manager
Subject: Discipline Hearing: Luigi Bellini #564

On Saturday, February 11, 1995 the subject owner and four guests came to the Ranch to ride Ranch horses despite the fact that he had been informed by Office personnel during a visit earlier in the week (2/8/95) that the trails were closed due to mud and debris. (A notice to that effect is posted on the check-in console -- see attached)

After checking in at 12:35 pm and buying three guest passes and utilizing one of Luigi's passes, the group subsequently went to the East barn ostensibly to ride horses in the big arena.

Unfortunately, the big arena was not open for riding. Over 39 inches of rain had fallen on the Ranch in January alone, during which time some of the Ranch horses had to be corralled in the big arena and small arenas because the overflowing creek did not permit passage to the east pasture. As a result, the arenas were a muddy mess.

On Thursday February 9, Maintenance decided that in order to speed-up drying the big arena, the ground should be turned up so the clods would be exposed to air. A second discing followed by harrowing should provide a rideable surface in the near future.

According to the attached owner and employee complaints, Mr. Bellini's reaction to the arena's condition was "rude" and "unnecessarily threatening." His loud complaining was not confined to the Stables area; he also aired his displeasure in the Lodge for "up to a half-hour at least" according to the Lodge attendant. The Sales department was meeting in the Lodge at that time with potential buyers.

When the Bellini party left the Ranch, their \$30.00 guest pass money was not refunded since they had substantially overstayed their two-hour free time. Luigi was irate and implied he would write to the Board.

In view of the foregoing and attached, I recommend the Board consider disciplinary action as provided for in Article VIII of the CC & R's. Harassment of employees by employer's (Ranch owners) for situations over which employees have no control is not only unfair, but it may be considered "abusive" if legal charges were to be filed.

I propose a 30 day suspension of the right to use the Ranch and removal of the owner's RV from the Ranch during that period of time. In addition, a letter of apology from Luigi addressed to R-Ranch employees would seem to be appropriate.

Don Jones
Ranch Manager

cc: All Board Members