

DRAFT

R-RANCH AT THE LAKE MINUTES REGULAR MEETING OF THE BOARD OF DIRECTORS JULY 19, 2008

Directors present: Steve Pietrobono, President
Ken McArdle, 1st Vice President
Randy Apoian, 2nd Vice President
Mark Bendick, Treasurer
Laura Bohler, Secretary

Meeting called to order at 1:35 p.m.

Minutes.

April 5, 2008 Owners Meeting. Approved as written.

April 19, 2008 Board Meeting. Mark Bendick to review video to confirm the amount of attorneys' fees Charlie Ryan stated had been incurred by Hornbrook.

May 3, 2008 Owners Meeting. Approved as written.

June 7, 2007 Executive Meeting. Approved as written.

July 5, 2007 Executive Meeting. Approved as written.

Treasurer's Report. Mark Bendick reported that the total assets are \$584,016.68, Operating is \$245,709.87, and Reserves \$338,306.81. He noted that the Operating account is lower than last year because approximately 90 owners on semi-annual payment plans have not paid their second half of the assessments.

Ranch Manager's Report was provided by Candace Shook. Employees are keeping up with maintenance and working on carnival preparation. Paul Adams will return July 25th.

Stable Report. Ken McArdle reported that the injured horses are healing and okay.

Equine Ad Hoc Report. Ron Clark, #675 reported that the committee had a work day the third Saturday in May. One side of the barn has been painted. Very few owners showed up. The next meeting will be held in August. The committee will explore a possible mailing asking if horse owners want to require themselves to attend one or two work days each year. The next meeting is scheduled for the third Saturday in August.

Safety Committee. Dawn Clark, #675 expressed concern about speeding (owners passing other owners), overloading golf carts with too many passengers, underage

driving, drinking and driving, and asked owners to help each other and help security. Steve Pietrobono said that the ranch is trying to enforce speeding and overloading of carts.

Cabin Committee. Dawn Clark reported that the James Fitzsimmons family has donated 96 brooms for the cabins.

Teen Committee. No report. Cheryl Adams is contemplating starting the committee again. The ranch asks owners to help if they can.

Animals and Activities Committee. Robin Countryman-Valk made a short report as she was preparing to take one of the goats to UC Davis. In June ranch children were able to bring 7 goats to the AGS Nationals show and brought back seven National titles. The ribbons are displayed in the fireplace room.

Boat Committee. Dorothy Guajardo reported that the boat committee is seeking donations for a camera security system. There has been a problem with vandalism and theft in the boat storage area. The committee is also looking into expanding the covered storage area and asks any interested owners to contact them.

Campground Committee. DeeDee Pagan, #1491 reported that the committee is working on possible revisions to the 90-day rule for the campgrounds. The concept is that a 30-day pass will be issued when the trailer comes onto the ranch. If the owner stays one night within the first 30 days, the pass is extended another 30 days. If the owner stays one night within the next 30 days, the pass is extended to the maximum additional 30 days for a total of 90. The committee would like to submit a survey to the owners on the proposed rule change with the November assessment statements. The next committee meeting will be held in October.

Old Business

Pridmore Agreement. Mark Bendick reported that the agreement with Pridmores is under review. Rates were reduced from \$500 per year for R-Ranch owners to \$300 per year with an agreement that Pridmore would contract to move trailers for \$50 per move. Owners and friends could move trailers, but if someone were to contract with a driver, George and Louise were the only ones approved. Pridmore is considering raising fees. If any owner wants to pay someone to move their trailer, they need to talk to Pridmore.

Recall. Steve Pietrobono reported that in February the ranch received signed Petitions for recall of three directors. The number received could only result in a special owners meeting. There was no authority to require a recall election without a meeting. On April 5, 2008 59 owners were present. The meeting was adjourned to May 3, 2008, at which there were 156 ballots, 8 present, for a total of 164 owners represented. 352 owners were required to meet a quorum to conduct business.

Legal Issues. There is an ongoing lawsuit to remove three board members, Steve Pietrobono, Mark Bendick and Ken McArdle. On March 5, 2008 a preliminary injunction was granted allowing the Kiddin' Korral to operate status quo. On April 14, 2008 the parties attempted mediation. The anti-SLAPP motion was denied on April 30, 2008. On June 6, 2008 the court ruled that status quo meant that the baby goats could stay on the ranch 120 days. The court denied recall and access to electronic records. Discovery is coming. Mandatory Settlement Conference is set for

December 5, 2008 and trial January 2, 2009. The three defendants are being represented by Ranch insurance attorneys. There is a \$5,000 deductible. The board majority retained Matt Bishop with a \$20,000 retainer to help interpret the governing documents regarding the recall. He is now part of the lawsuit. There is a possible increase in insurance premiums. Those were \$110,000 last year and could possibly be \$170,000. The board does not know what assessment increases will be this year. There are concerns about what is being requested, such as court audit, accounting, appointment of a receiver, removal, possibly another election, and reimbursement of attorney fees and costs. At this point the ranch is spending approximately \$20,000 to \$25,000. Mark Bendick reported that an audit can cost between \$20,000 and \$30,000. One hasn't been done at the ranch in approximately seven years. An outside audit would require a special assessment.

New Business

Elections. Seven candidates will be on the ballot for this year's election. Alyce Cardinale and Nellie Cutright have withdrawn from the elections. There will be a ballot statement for exclusive use for Kiddin' Korral that will require a 50% plus 1 approval. The record date was July 17 and as of that date there were 1,405 owners in good standing. The ballots are at the printers and because of concerns about handling the ballots, the printer will mail the packets at a cost of \$700. The packets should be mailed by July 21.

Steve Pietrobono stated that the order of March 5 was that owners cannot share the mailing list or contact owners without majority board approval. Candidate mailings will be allowed through the ROA. Candidates can submit documents and postage, and staff will stuff envelopes, label and mail. The board discussed other possible options. Steve Pietrobono stated that candidates could submit their mailings to the office in pre-stamped envelopes, but he wants to approve the content before it is sent.

Campground Electrical. Steve Pietrobono reported that one of the electrical issues in the campground is that we are at the end of PG&Es line of service. The problems are not necessarily the infrastructure. A transformer blew out over the 4th of July weekend. After that, beginning July 8th, Paul and an electrician checked the electrical sites. There are multiple trailers plugged into boxes, putting an additional draw on the system. There are ways to upgrade and if the ranch can find funds in the future, that can happen.

Conduct/Quiet Hours. Steve Pietrobono stated that everyone seems to be having a good time this summer. However, owners need to respect quiet hours between 10pm and 9am. There have been some issues with people getting too intoxicated and giving security a hard time. If owners or guests cause these types of problems they will be asked to leave the ranch and guests will not be allowed back. He asked owners to respect each other and listen to security.

Designated Parking. There is no parking outside the teen center under the no parking sign. Asphalt areas near the lodge that are not designated parking spaces need to be left open. Golf carts only can park at the Kiddin' Korral.

Guest Passes. There has been a problem with owners copying guest passes. Candace Shook is looking into a multi-carbon pass system. She is getting cost

information. If the system changes, everyone will turn in their guest passes and change them out for the new passes.

Correspondence. Laura Bohler read two letters, which are attached to these Minutes.

Candace Shook provided Randy Apoian with copies of PG&E bills he had requested, and a copy of the debit card agreement to Laura Bohler. Laura Bohler requested authorization to contact the vendor to obtain a copy of the credit card agreement. Authorization was denied. Laura Bohler is to let Steve Pietrobono know what she wants to talk to the vendor about.

Open Forum.

Owner 675 asked when the last campground committee meeting was held. Steve Pietrobono indicated that they had not had one since April. DeeDee Pagan will make sure Ron knows when the next meeting is scheduled.

Meeting adjourned at 3:15 p.m.

Respectfully submitted,

Laura D. Bohler
Secretary, R-Ranch at the Lake Board of Directors

"R" RANCH GUEST PASS* No 34397

Guest's Name Candace Shook Age 30
(if under 24)

Address 1962 Capell Valley Road

City, State, Zip Napa CA 94558

Owner's Name _____ Owner # _____

Area _____ Arrival Date 9/5/07

R-Ranch Authorization Expiration Date 9/25/07

Issued by: [Signature] Amt. Paid* X Date 9/25/07

*Does not include Horseback Riding

WHITE COPY: to be in Guest's possession

YELLOW COPY: to Ranch Staff

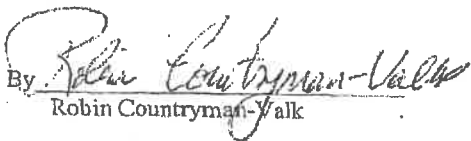
July 17, 2008

To the R-Ranch Board of Directors;

I understand the Board of Directors plans to again put Kiddin' Korral on the ballot this year for "exclusive use". Please, do not put any matter on the ballot authorizing me to have exclusive use of the Kiddin' Korral. I am not and never have been interested in exclusive use of Kiddin' Korral. Any suggestion to the contrary would be a misrepresentation to the owners. It was made quite clear by me and by members of the Kiddin' Korral Animals and Activities Committee during executive session in April of 2007 and in subsequent discussions, that we claimed no exclusive use or adverse possession. I will not take exclusive use of the site, if offered, and have sworn to put this in writing if requested.

Kiddin' Korral is operated by a board committee. As such this gives access to all interested owners and ultimate control to the Board of Directors. When expansion or additional requests have been made by the committee, they have been properly submitted to the Board of Directors for approval.

Respectfully,

By 
Robin Countryman-Valk

Kiddin' Korral Manager

Kiddin' Korral Animal and Activities Committee Vice President

OWNER FILE NOTE

DATE: 7/15/08 OWNER #: 483 OWNER NAME: Lynne Barnes
Carolina Dow

We are so pleased to see our grandchildren have the opportunity of working with the R-Ranch animals. They have applied to work with the goats, chickens & bunnies. They have had day's work and we are here for a week. They are looking forward to the rest of the week and "work up" to hands on & milking with the goats - a great experience in responsibility etc. They are so proud of having their 1st "real job!"

WRITTEN BY: Lynne Barnes