

R Ranch at the Lake

Board Meeting Agenda

12:00 PM, Saturday Jan. 15, 2011

R Ranch Board of Directors: Joan Scannell, Dan Wynn, Dorothy Guajardo, Michael Bersaglieri & Nellie Cutright

Call to order

- | | |
|---|------------------------------|
| I. Roll call: | Joan Scannell |
| II. Pledge of Allegiance: | Dan Wynn |
| III. Approval of Minutes (10/16/2010 meeting): | Directors |
| IV. Guests | |
| V. Reports | |
| a) General Manager: | Paul Quarneri |
| b) Office Manager: | Gary Huckaby |
| c) Stable Manager: | Jennifer Branagan |
| d) Sales & Marketing | Alyce Cardindale |
| e) President's Report | Joan Scannell |
| f) Vice President's Report | Dan Wynn |
| g) Treasurer's Report | Ken McArdle or Paul Quarneri |
| VI. Committee Reports | |
| h) Equine Ad-Hoc: | Jennifer Branagan |
| i) Boat: | Albert Sanchez |
| j) Campground: | Jim Gondola |
| k) Cabin: | Liz Spiker |
| VII. New Business | |
| Open Forum | |
| Site to site drawing | Paul Quarneri |
| Meeting Adjourned | |

Consolidated Cash Report

As of January 15, 2011

	Jan 15, 08	Jan 15, 09	Jan 15, 10	Jan 15, 11
1002 · Wells Fargo (3198) (Operating Account)			513,063	600,471
1004 · WestAmerica (2988-1) (Operating Account II)	169,514	327,711	52,725	
1005 · Bank of America (1177) (Operating Account I)	1,010	971	971	
1006 · Bank of America (3200) (Operating Account I)	102,522	53,484	38,564	
1007 · Bank of the West (6533) (Operating Account V)	90,202	50,546	707	
1007CA1 · Op. Acct IV- Wells Fargo (7027)	81,858	51,839		
1009CA1 · Wachovia (4226) ~ Op. Acct. VI	32,653	53,676		
Operating Accounts	477,759	538,227	606,031	600,471
1001 · Wells Fargo (7524) (General Reserve)			11,964	319,344
1003 · Wells Fargo (9193) (Reserve III)	72,790	81,894	1	
1008 · Chase (4641-1) (Reserve I)			106,708	
1009 · Wells Fargo CD (Wells Fargo CD (Reserve))	3,595	3,685	3,719	
1010 · Umpqua (0419) (Reserve II (?))	99,401	99,401	99,514	
1010CA2 · Chase (4641-1) Res. I	103,716	106,037		
1013CA2 · Wachovia (9792) Res. IV -	58,370.11	85,074.34		
Reserve Accounts	337,872	376,092	221,907	319,344
1011 · Wells Fargo (4274) (Site to Site)				38,538
1012 · Wells Fargo (4266) (Green, Graze and Grow)				26,684
1013 · Wells Fargo (4120) (Horseman's Assoc. Reserve)				1,782
Special Accounts				67,004
Total Cash on Hand	815,631	914,319	827,938	986,819

Delinquency Summary

1/15/11

		Subtotal	%		Annual Revenues
Current	450		28.9%		\$ 517,500.00
Current: Payment Plan: Ad Hoc (free form) Payment Plan	20		1.3%		\$ 23,000.00
Current: Payment Plan: Monthly Payment Plan	156		10.0%		\$ 179,400.00
Current: Payment Plan: Quarterly Payment Plan	6		0.4%		\$ 6,900.00
Current: Payment Plan: Semi-Annual	104		6.7%		\$ 119,600.00
Subtotal		736	47.3%		\$ 846,400.00
Pending (Holding /Pmt. on Way)	14	14	0.9%		\$ 16,100.00
Non-Performing Shares: Delinquent > \$3K			0.0%		\$ -
Non-Performing Shares: Deceased / Bankrupt			0.0%		\$ -
Deed Back	45		2.9%		\$ 51,750.00
Subtotal		45	2.9%		\$ 51,750.00
Delinquent	510		32.8%		\$ 586,500.00
Delinquent:CBA 2010:Pull For Collections Processing	42				
Delinquent w/ Accounts at CBA	209		13.4%		\$ 240,350.00
Subtotal		761	48.9%		\$ 826,850.00
Total		1556			

12/7/10

		Subtotal	%		Annual Revenues
Current	967		62.5%		\$ 1,112,050.00
Current: Payment Plan: Ad Hoc (free form) Payment Plan	55		3.6%		\$ 63,250.00
Current: Payment Plan: Monthly Payment Plan	145		9.4%		\$ 166,750.00
Current: Payment Plan: Quarterly Payment Plan	1		0.1%		\$ 1,150.00
Current: Payment Plan: Semi-Annual			0.0%		\$ -
Subtotal		1168	75.5%		\$ 1,343,200.00
Pending (Holding /Pmt. on Way)	30	30	1.9%		\$ 34,500.00
Non-Performing Shares: Delinquent > \$3K			0.0%		\$ -
Non-Performing Shares: Deceased / Bankrupt			0.0%		\$ -
Deed Back	54		3.5%		\$ 62,100.00
Subtotal		54	3.5%		\$ 62,100.00
Delinquent	27		1.7%		\$ 31,050.00
Delinquent:CBA 2010:Pull For Collections Processing	48				
Delinquent w/ Accounts at CBA	221		14.3%		\$ 254,150.00
Subtotal		296	19.1%		\$ 285,200.00
Total		1548			

R Ranch at the Lake
Profit & Loss
 January through December 2010

	Jan - Dec 10
Ordinary Income/Expense	
Income	
4000 · Assessment Income	1,457,084.36
4005 · Sales of Shares	2,839.50
4020 · Stables Income	37,715.32
4030 · Operational Income	41,491.45
4040 · Activities	14,948.90
4050 · Re-Sale (Pass Through)	9,224.22
4080 · Operational Income (Admin)	47,509.02
Total Income	1,610,812.77
Cost of Goods Sold	
5004 · Cost of Goods Sold	8,973.13
Total COGS	8,973.13
Gross Profit	1,601,839.64
Expense	
6005 · Supplies	69,777.33
6006 · Activities Exp.	24,773.20
6010 · Advertising	3,777.08
6100 · Vehicle Expense	5,535.74
6160 · Printing & Postage	10,482.95
6175 · Reserve Expenditures	28,512.82
6200 · Bank Service Charges	8,958.41
6600 · Payroll Expenses	829,473.26
6700 · Liability Insurance	106,093.00
6850 · Services	1,114.90
6852 · Professional Services	32,626.83
6900 · Licenses and Permits	10,214.84
7000 · Equipment Purch. - Operational	7,170.24
7020 · Stables	107,301.69
7105 · Deeds	3,630.86
7106 · Education and Training	461.04
7107 · Software	904.13
7300 · Tax	97,444.56
7400 · Equipment Lease	3,225.79
7450 · Maintenance	44,882.82
7460 · Fuel Expense (Ranch Vehicles)	15,767.42
7650 · Mileage	921.41
7800 · Utilities	184,848.08
8900 · Other Expense	-423.02
Total Expense	1,597,475.38
Net Ordinary Income	4,364.26
Other Income/Expense	
Other Income	
7999 · Other Income (Non Operational)	2,460.23
Total Other Income	2,460.23
Other Expense	
8500 · Bad Debt	281,613.84
Total Other Expense	281,613.84
Net Other Income	-279,153.61
Net Income	-274,789.35

R Ranch at the Lake
Balance Sheet
 As of January 15, 2011

Jan 15, 11

ASSETS

Current Assets

Checking/Savings

1000 · Change Fund	3,912.25
1001 · Wells Fargo (7524) (General Reserve)	319,343.90
1002 · Wells Fargo (3198) (Operating Account)	600,471.16
1011 · Wells Fargo (4274) (Site to Site)	38,537.79
1012 · Wells Fargo (4266) (Green, Graze and Grow (Cash Basis))	26,683.85
1013 · Wells Fargo (4120) (Horseman's Assoc. Reserve)	1,782.22
1014 · Clearing Account	25.45

Total Checking/Savings 990,756.62

Accounts Receivable

1100 · Accounts Receivable	2,176,220.49
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Total Accounts Receivable 2,176,220.49

Other Current Assets

1200 · Undeposited Funds	12,054.84
1201 · Inventory Asset (Costs of inventory purchased for resale)	1,807.91
1401 · Prepaid Insurance	7,920.00
162 O · Allowance - Doubtfull Accounts	-786,999.87

Total Other Current Assets -765,217.12

Total Current Assets 2,401,759.99

Fixed Assets

1500 · Grounds Furniture & Fixtures	1,500.00
1510 · Grounds Machinery & Equipment	14,605.50
1530 · Mobile Homes	13,000.00
1690 · ROA Shares	134,483.07
1740 · A/D Improvements	-0.27

Total Fixed Assets 163,588.30

TOTAL ASSETS

2,565,348.29

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2500 · Accounts Payable	50,442.46
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Total Accounts Payable 50,442.46

Credit Cards

2480 · American Express (31006) (Gary Huckaby)	310.68
2482 · American Express (81004) (Paul Quarneri)	55.27
2483 · Wells Fargo Visa (2114) (Jennifer Brannigan)	714.98
2488 · Home Depot (3275)	132.28
2489 · Staples (Office Supplies)	451.02
2491 · Bert Williams & Sons, Inc.	65.62
2493 · Don's Swimming Pool Center	62.64
2494 · CSK Pro Shop (5120) (CSK Kragen House Account)	178.47

Total Credit Cards 1,970.96

Other Current Liabilities

2440 · Storage Deposits	1,995.00
2441 · Cleaning Deposits	4,975.99
2442 · Tack Locker Deposits	150.00
253 · Income Taxes Payable	-700.00
2550 · Sales Tax Payable	4.41
256 · Payroll Liabilities	84,610.20
297 O · COBRA Clearing Account	1,129.04
657 · Employee Party Fund	528.98

Total Other Current Liabilities 92,693.62

Total Current Liabilities 145,107.04

7:40 AM

01/15/11

Accrual Basis

R Ranch at the Lake
Balance Sheet
As of January 15, 2011

	<u>Jan 15, 11</u>
Total Liabilities	145,107.04
Equity	
300 · Opening Balance Equity	-52,246.87
302 · Adjustment of Begin fund bal	495,411.00
309 O · Other Operations Fund Trans.	212,592.00
3200 · Unrestricted Net Assets	-249,876.62
331 O · Assessments (OPN)	-285,137.00
332 R · Assessments (RPL)	108,000.00
3901CP1 · Operating Fund Balance	286,708.24
3901CP2 · Reserve Fund Balance	250,617.55
Net Income	<u>1,654,172.95</u>
Total Equity	<u>2,420,241.25</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,565,348.29</u></u>

**Credit Bureau Associates
Performance Statistics
12/31/2010**

2010
Owner x Years
(owners submitted for
multiple years)

	2005	2006	2007	2008	2009	2010*	
# of owners Submitted	94	158	170	117	69	205	334
w/ full Balance Recovered	57	93	92	31	23	6	8
%	60.6%	58.9%	54.1%	26.5%	33.3%	2.9%	2.4%
\$ Submitted	\$ 269,944	\$ 289,185	\$ 173,800	\$ 116,684	\$ 114,008.54	\$ 395,170.29	
\$ Still Out	\$ 114,815	\$ 161,494	\$ 82,210	\$ 83,648	\$ 79,743.76	\$ 385,428.54	
\$ Recovered Including CBA Commission	\$ 155,128	\$ 127,691	\$ 91,590	\$ 33,036	\$ 34,265	\$ 45,475	
% \$ Recovered	57.5%	44.2%	52.7%	28.3%	30.1%	11.5%	
CBA Commission Actual			\$ 50,541	\$ 36,973	\$ 17,171	\$ 25,472	
# of owners who made payment on any year's assessments			94	62	37	41	
%			55.3%	53.0%	53.6%	20.0%	
\$ Recovered by R-Ranch in calendar year			\$ 66,830	\$ 41,688	\$ 20,289	\$ 31,590	
% \$ Submitted Recovered by R-Ranch			38.5%	35.7%	17.8%	8.0%	
Avg CBA Commission			43.1%	47.0%	45.8%	44.6%	

* To be fair, no
owners were
submitted to
collections until early
October.

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Total Equity	<u>2,420,241.25</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,565,348.29</u></u>

R-Ranch at the Lake
Board Meeting Minutes
January 15, 2011

President Joan Scannell called the meeting to order at noon and She thanked the owners for being at the first meeting of the year.

Roll Call:

Joan Scannell-President-Present
Dan Wynn-1st Vice President-Present
Nellie Cutright-Secretary-Present
Mike Bersaglieri-Board of Director-Present
Dorothy Guajardo-Treasurer-Absent

Ken McArdle-Board Advisor
Paul Quarneri-Ranch Manager

Dan Wynn led the pledge of allegiance.

Nellie announced that the Board Meeting Minutes from the last meeting have been written and approved by the board. Joan announced that there would be copies ready for the owners to pick up at the back table.

No guest speakers

General Managers Report (Paul Quarneri)

Paul announced that he has a list of events for 2011, asked owners if they want to volunteer or be involved with the activities this year to let him know. He discussed a list of projects that he wants to work on. There are 28 things on the list. Paul will be posting the project list so the owners know what he needs volunteers for.

Paul mentioned that he would be going to the county with the maps of the ranch to make sure everything is in order.

Paul discussed putting in campsites by the south house and adding electricity to them.

There have been repairs done on the electricity however; we still have extensive electric work to be done.

The site-to-site program has \$38,000 in it and there will be another \$22,500 added.

Paul has his staff working in the cabin areas-plans to get the hit list done before summer.

Improvements on the ranch are becoming noticeable. The golf cart area is looking better, however some people are not complying with the rules and they are leaving things piled on their golf carts. The boat area is looking better, we have one covered boat site open, will check with Scott to see who is on the waiting list.

The maintenance staff laid 1000 foot of piping in the ground, the old piping was brittle and full of band-aids. There was new pipe laid by the tennis courts, the arena area behind the Stable Managers house and by the South House.

Paul mentioned that he has been receiving calls from owners regarding the collection policy.

In conclusion Paul stated that we are doing better than we have in years.

Stables Manager Report (Jennifer B)

Jennifer stated that we have 42 ranch horses and 35 owner horses.

Jennifer stated how many rides they had last season and there were no reportable injuries.

The evening rides including the dates and times are posted in the Newsletter.

The panels in Pasture H are finished. We have painted the inside the stable barn. Jennifer is in the process of getting sand for areas in the stables. There will be shelters added to the owner's pastures. The ad-hoc committee has offered to pay for them. Jennifer announced that she has a good group of owners and they are willing to volunteer to help. Jennifer would like to have a BBQ after the work is done.

Jennifer explained what Ad-hoc is and those they are working on getting sand. The weather had affected the delivery of the sand. We have an owner coming up to check out the best way to keep the sand fluffy in the stalls and arena.

On a sad note we have lost two ranch horses. They were both old with health problems. Since we have adopted two miniature horses and purchased two other horses.

Jennifer announced how she had a good season last year and that the kids were great.

Sales Representative-Alyce Cardinale or Kathy Doulabi-Both Absent

Paul explained about marketing and the Cow Palace show that they went to. There were flyers, computer display of the ranch. We have received some responses and we are getting someone to follow up on them.

Dan Wynn

Dan informed the owner that there would be road improvements done on the ranch, including fixing cracks in the roads and other things. Paul explained that the project was put on hold due to the rain.

Treasurers Report-Gary Huckaby

Gary gave the treasurers report. Stated that we are doing pretty well. Asked if anyone had questions.

Dan Wynn

Dan asked about the change from last year to this year. Gary responded.

Ken praised Paul Quarneri and his staff for all their hard work.

Joan thanked Gary and the office staff for all their hard work.

Gary H-announced that the ranch is changing collection agencies. We will be using the same collection company that Wild Horse is using.

Owners questioned Gary H about the guest pass changes. He passed the question onto Paul who put a cash value on each of the individual passes. Owners felt that the board should honor the guest passes from the past without making them pay the difference in the increase. Things got a little heated and Joan asked the owners to wait to open forum to discuss the passes further.

Ken McArdle stated that Jennifer had covered the ad-hoc equine report.

Boat Committee-Report-Absent
No Report

Campground Report- (Jim Gundola)

Jim thanked Paul for the update on the site-to-site program. The committee wants to know if owners could make reservations for the five sites that were made up? The board stated that they would save that for open forum.

Jim wanted to know the status of the emergency phones from the campgrounds and cabin areas to the main office.

Cabin Committee- (Liz Spiker)

Liz started by following up on the items they brought up last fall. Liz questioned when the mattresses in the cabins would be replaced and when the mattress covers would also be replaced.

The committee wants to know about the A cabin replacements. Paul explained that they would check on that when they bring the maps to the county.

Liz discussed wanting new showerheads for the showers in the cabin areas with separate cold and hot water. Paul explained that the hot water heaters are designed to mix the hot and cold together.

The committee wanted to know the status of the lights outside the sinks by the bathhouses in the cabin areas. Paul explained that he was going to hardwire the lights and have them setup on timers.

Liz wanted to know about the current cabin fees and fines.

Liz brought up the three cabins that are closed and she wanted to know why. Tony had explained that the ranch was working on them. Liz just wanted to verify that the cabins were going to be open for the season. She discussed vacuums for the cabins. Paul explained that the ranch is going to purchase two battery-operated vacuums. The ranch is also purchasing new mops and brooms for the cabins.

Liz was interested in replacing the carpet in the cabin with linoleum.

The committee wanted to know what the status is of a wood chipper. Paul explained that he had one lined up but some one else beat him to it. We are still looking for a wood chipper if anyone has connections please contact Paul.

A community garden patch needs to be measure so the ranch can get bids for the fencing. They discussed the location for the garden patch, and were looking at the area across from the tot lot.

Open Forum

Michael #1685-questioned about the guest passes.

Joan explained that the passes that the passes marked with a cash value are worth that value. Example if the pass states \$10.00 you will have to pay the other \$5.00. Joan also explained that the passes that do not have a cash value on them would be worth what the guest pass price is (\$15.00). Michael explained how he paid his assessments in advance to get the guest passes not a ten-dollar break.

Paul explained that the horse riding has gone up to \$25.00. If owners have passes with a value on them that are what they are worth.

Claudia Salis #174-explained that she saves her passes for people who can't afford to pay. She feels that she should be able to turn in her passes and get the new \$15.00 passes. Joan explained the change again. Claudia and Joan started to go back and forth. Joan explained the raise in fees verses a raise in assessments.

Joan stated that the guest passes and riding pass fees are set and no one else needs to discuss it.

Gene McCracken #147-explained why the change in guest passes, the fact that people where photo copying the passes and using them. This took away from all the owners.

Kathy Palmerton #1418-wanted to know where the new podium came from. Joan explained that is was the Lupi family.

Kathy feels that the owners, employees and the kids need to get together to replace the trees that are coming down.

Kathy applauded the current board and all there hard work.

Site to Site Program- there were 68 people signed up. The board is going to pull out 16 people that will not qualify. The 50 names that are remaining in the hat will get to be on the program.

1

Colleen Beaten-on January 5 she called to see how many names were on the list. She was told 66. Now there are 68? Paul explained that there are 66 on the list.

Colleen wanted an explanation about the \$60.00 fee for only paying half of the assessments. If you are on a payment plan you still have to pay the \$60.00.

Joan stated that the board would review the \$60.00 charge.

Paul setup the drawing for the site-to-site program.

Joan announced a change in the price for paying your assessments bi-annually. The price will be \$30.00 instead of \$60.00.

Paul finished putting the names in a bucket. Lexie Silva pulled out the 16 owners who did not qualify for the site-to-site program. Complete list available at the ROA.

Joan thanked everyone for coming to the meeting.

Nellie adjourned the meeting.

R-RANCH AT THE LAKE
BOARD MEETING MINUTES
4.22.11

President-Joan Scannell called the meeting to order at noon.

Roll Call:

Joan Scannell-President-Present
Dan Wynn-Vice President-Present
Dorothy Guajardo-Treasurer-Present
Nellie Cutright-Secretary-Present
Mike Bersaglieri-Director-Present

Also Present:

Paul Quarneri-General Manager
Chris Lacombe-New Office Manager

Pledge of Allegiance led by Dan Wynn

Moment of Silence

Joan asked for a moment of silence for the owners who have recently passed away: Ken McArdle, Robert Cut right and Tiffney Fitzsimmons.

Joan announced that the Board Minutes from the last meeting had been submitted, approved by the board and copies are available on the sign in table.

General Managers Report-Paul Quarneri

Paul explained that a section of sites in the 400's are blocked off due to the amount of rain.

During the recent storms seven trees came down and maintenance has been busy cleaning up branches, the roads and overall grounds cleanup.

Paul mentioned the stables had been busy cleaning up with Misty and the owner's have been complementing the way it looks.

Housekeeping has been busy painting several bathhouses; it's been difficult to get things accomplished with the weather.

Paul gave special thanks to volunteer Wayne Palmerton who has been busy painting the ceilings of the bathhouses.

Plans to Napa County

There was a meeting with the county back in February of 2011. Chris and Paul Q went to the meeting. They took a large stack of plans to the county; they included drawings and pictures of what we have and what we want to do. The drawings include all aspects of the ranch. Paul stated that the county wants to compare our drawings with what they have. Then they will come out to the ranch and do an inspection of the ranch. This was to happen about one month after our meeting. It has been two and they have not yet come to the ranch.

Paul is planning on contacting the county to find out what the status is with our plans because the proposals for the new campsites and the upgrades to the electrical. Setting up a meeting with PG&E next week to schedule a meeting with a head engineer to come to the ranch and see what is required for upgrades, required for existing electricity and to find out a cost for PG&E to do the work. Paul goes on to discuss transformer upgrades and then going to the county for the proper permits.

A list of activities has been created for the season including events, dances and kids activities.

Paul gave a special thanks to Kathy Palmerton who volunteered in the office filing and things.

Paul is aware that there are several buildings with Leaks. When weather permitting we will tear of old roofing and replace with new roofing. Bathhouses 1, 2, 3 and activity center are the worse. The activity center will most likely be first. Discussed needing volunteers during the cabin meeting.

Gary Huckbuy is not longer with the ranch. He turned in his resignation and is going to go back to working with his wife. Chris Lacombe is now leading the office staff.

For security control all owners are to have ID cards and present them when coming onto the ranch, this includes associates. You must have medical releases for everyone that is under 18 years of age.

Office Managers Report-Chris Lacombe

Chris explained that he was a project manager and use to do the books. He discussed the pass outs of the financials and that we are in better shape then last year. He stated that there are a lot of people who have not paid and it costs all of use money. Chris also explained that once accounts go to collections it is money out of our pocket.

Chris explained about making more detailed accounts instead of putting everything in an account called other account. Kelly and Jamie are helping change the books around.

Chris asked the owners in the crowd to contact owners that they know are delinquent and see if you can get them to pay.

Stables Report-Manager Misty Pursell

There are a total of 35 ranch horses and 40 owner horses. We had some special need horses that were adopted out. We also had two horses that had to be put down due to age.

There are a lot of activities planned for the summer, like the egg races for Easter. There is a poker run scheduled with a \$20.00 buy in. This summer we will have a regular schedule from 8:00am until 3:00pm and the summer schedule goes into effect on Memorial Weekend.

The trails need some clean up so we are using the ranch trail for now. Misty would like to mark the trails with ribbon designating the trails by experience. We also located some plastic flowers to put up on the trails to make them look nice.

Thank you all for the warm welcome.

Sales Report-Alyce Cardinale

We had a great time at the grand nationals. We did get some leads and we have one some tours. We have gotten some shares back and resold them. We hope to have a successful year.

Dan asked how many shares have been sold this year. Alyce stated six. The sale price for shares on the Internet is \$1,000.00 to \$1,200.00.

President Report-Joan Cannel

Joan welcomed new employees Chris and Misty. Joan stated that she appreciates them and the rest of the ranch staff.

Joan announced that there is a plaque for Ken McArdle that will be posted in the back of the lodge.

Joan thanked the owners for coming to the meeting. She also thanked the volunteers and expressed that without their help they would not have a lot of the events that they have.

Paul spoke about a special bench that will be place by Ken McArdle favorite pasture and there will be a plaque with it.

Joan wished everyone a safe and happy summer.

vice President Report-Dan Wynn

Gave a special thank you to Wayne Palmerton for all his help and for volunteering.

Dan explained that we are redoing Friendship Park. There will be new horseshoe pits, botchy ball and an out door shuffleboard. There will be improved landscaping and golf cart parking will be put in so the store isn't getting jammed up.

We started to spread gravel but the weather has put it on hold. When the weather is better we will spread the gravel to keep dust down.

Paul and the staff have put in security lights around the ranch. There has been theft up in the campgrounds. The lights seem to be making a different.

The electrical is cleaned up off the trees and hung appropriately.

We are planning a lot of dinners for the season. The money goes back into the ranch for more activities.

Dan thanked the owners that attended the meeting.

Election Reminder

Joan reminded owners that this is an election year and two positions would become available. If interested in running you must turn in your candidate statement by June 15, 2011. The seats that are open are Joan's and Dan's.

Treasurers Report-Dorothy Guajardo

\$587,443.96 in the Operating Fund

\$319,438.84 in the General Reserves

We are \$80,000 ahead of last year because of Paul's incentive programs. Our liability insurance has increased about \$12,000 from last year. The ranch delinquents for 2010 are \$391,000 and there is \$22,000 in collections for this year.

There are fifty-one shares for sale.

Committee Reports

Equine Ad-Hoc-Dorothy Guajardo

Purchased two shelters with their funds for two of the pastures. There is sand in the small arena and in the small arena by pasture F.

Boat Committee- Rebecca Sanchez

Cover storage unit is available and we called everyone on the list. The lottery cost \$2000 and the money is to be used for maintenance on the ranch including the boat covered storage.

The covered storage will be scraped and repainted the first part of June. The committee will also be doing regular cleanup.

Rebecca explained that owners couldn't sell their covered boat sites if they want to sell their share. The boat site belongs to the ranch.

We are sending out letters to the owners about not leaving valuables in their boats. Also will remind them to keep the sites clean.

Paul Q spoke up and stated that the ranch will be charging a \$200.00 refundable deposit from owners that want to store their boat on the ranch from here forward. He also went into fines and liens.

The boat committee will be selecting a new committee; it will most likely be the same people.

Boat site waiting list has about thirty some people on it.

Campground Committee-Jim Gondola

Only three people showed up, they must be happy.

Cabin Committee-Liz Spiker

Chris and Paul attended the meeting.

Got new mattress covers for all the cabins. The covers are numbered with the cabin numbers.

The permits for A cabins has expired and if we want to build more a cabins we will have to go through the process of purchasing a new permit.

Installing lights by the out door wash sinks for people that use them at night.

We have some unusable cabins that need repair. Bill Spicer and Chris Lacombe are looking into repairing them with some new and inexpensive concrete siding.

We are looking for some feedback on some things like the garden, wood chipper, and vacuums.

We would like to paint the inside of the cabins with some color to brighten them up. We also would like to replace the curtains in the screen cabins with something other than the bent / broken PVC rods.

Open Forum

Peter _____ wants to know what the quiet times are because he has heard about the party areas. Quiet times will be posted for all the owners to see.

Carol R. 1679-Suggested that guest wear wristbands during the winter season. Carol is very happy with the stables and the stables report. Carol asked how many golf carts owners are allowed to have. She stated that there are four golf carts on site 141 that have the same owner number on them. Carol feels that owners should only be allowed two golf carts per family. Carol asked how many

Horses were disposed of because of the \$1,700.00 expense under "Disposal of Horses". Chris L explained that there are other expenses involved.

Rose Delgado 476-Thanked the board for their hard work. She wanted to know if the email is working because she likes it.

Joan reminded the owners of the Pasta Feed and Raffle.

Adjournment of the Meeting

Joan adjourned the meeting at 1:10pm.

Paul added that if you have a trailer on the ranch, you cannot reserve a cabin in advance but once on the ranch you can get a cabin or more for your guests.

The board met in May to discuss employee horses. It was unanimously voted to do away with free horse board, for all employee horses. Starting July 1, 2011, they will be paying the same as everyone else. The employee's have always been responsible for all their own vet and shoeing bills.

There are 11 employee horses at this time and at \$120 each it will generate an extra \$1,320 monthly and \$15,840 yearly.

Nellie Cutright
Secretary

BADDELEY, OLIKER & SARTORI

ATTORNEYS AT LAW

MICHAEL J. BADDELEY
ROBERT P. OLIKER
DUANE P. SARTORI

THE GRACE BUILDING
17 KELLER STREET
PETALUMA, CALIFORNIA 94952
FAX (707) 778-1086
(707) 778-6313

Of Counsel:
FREDERIC L. HIRSCHFELD

July 14, 2011

Dorothy Guajardo
Via Email

Re: R Ranch

Dear Dorothy:

You have asked our office to prepare an opinion as to whether or not the Trailer Campsite-Site to Site Rule Amendment enacted on August 15, 2009 (Campsite Rule) is valid and enforceable. As with everything in the law, nothing is black and white. However, if I understand correctly how the rule applies, then it is my opinion, based on what I have reviewed to date, that the provision is probably enforceable, for a time limited basis.

Was the Vote Proper?

You've provided me a copy of the ballot which contained the initiative language. You also provided me the vote count which showed that the measure passed 357 yes to 136 no. The voting issue has to do with requirements set forth in your second amended and restated bylaws for matters submitted to the membership for vote. Article 5, Section 7, governs new rules with regard to actions without meetings. In order for action to be taken without a meeting, a written ballot must be sent to every member entitled to vote on the matter. The members are required to be given a "reasonable time within which to return the ballots to the association". There is nothing on the information that you sent to me which indicated the time frame for return of the ballot. Nonetheless, I have assumed that it was a reasonable period of time given the number of votes that you received. However, Section 7 goes on to state the following:

"The ballot shall indicate the number of responses needed to meet quorum requirement and shall state the percentage of approvals necessary to pass the measure submitted. The ballot must also specify the time which the ballot must be received in order to be counted."

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"The ballot shall indicate the number of responses needed to meet quorum requirement and shall state the percentage of approvals necessary to pass the measure submitted. The ballot must also specify the time which the ballot must be received in order to be counted."

I did not see anything on the documentation that you sent to me which included this language. As the language is mandatory (i.e. shall), I think the failure to include it is a defect. Whether it would be enough to overturn the vote is not completely clear.

Article 5, Section 5 specifies the quorum necessary for purposes of taking a vote either by direct ballot or by meeting. This section requires that a quorum consists of at least 25% of the membership entitled to vote at any meeting. Your regulating documents indicate that the membership is comprised of 1800 units and that 1400 units are sold. Assuming that number is correct, a quorum would require 350 votes. Since there were 493 votes on the Campsite Rule, it appears as if you easily met the quorum requirements of the restated bylaws. Therefore, even though it appears as if the required language was not included on the ballot, given the fact that the quorum requirements of the bylaws were met, I do not believe that this defect alone would necessitate overturning the rule. Nonetheless, this could provide a basis upon which someone might attempt to challenge the enforceability of this provision.

Is the Campsite Rule a Violation of the CC&Rs?

The bigger issue is whether or not the challenging homeowners are correct in their assertion that the Campsite Rule is a violation of the CC&Rs. This is a close and complicated issue. The governing law is set forth in the Davis-Stirling Act which governs common interest ownerships. Operating rules must comply with the following provisions:

“An operating rule is valid and enforceable only if all the following requirements are satisfied:

- (a) The rule is in writing.
- (b) The Rule is within the authority of the board of directors of the association conferred by law or by the declaration, articles of incorporation or association, or bylaws of the association.
- (c) The rule is not inconsistent with governing law and the declaration, articles of incorporation or association, and bylaws of the association.
- (d) The rule is adopted, amended, or repealed in good faith and in substantial compliance with the requirements of this article.
- (e) The rule is reasonable.” (California Civil Code §1357.110)

The standard of interpretation for rules is somewhat different than the standard of interpretation for your CC&Rs. CC&Rs are presumed reasonable and are normally enforced unless they are deemed to be arbitrary and bear no rational relationship to the protection, preservation or operation of the property. Normally, the burden of proof to challenge CC&Rs is on the objecting party and because the standard for enforceability is so low, this makes it very difficult to challenge CC&Rs. (See generally Nahrstedt v. Lakeside Village (1994) 8 Cal.4th 361) However, as it pertains to rules which are enacted pursuant to the CC&Rs, courts apply a straight reasonableness test to somewhat limit the discretion of the Board of Directors. (Rancho Santa Fe Association v. Dolan King (2004) 115 Cal.App.4th 28)

Re: R Ranch
July 14, 2011
Page 3

The key is to make sure that the rule is in compliance with these general provisions. The checklist of Civil Code §1357.110 is the easiest way to proceed.

The Code requires the rule to be in writing. This rule is in writing and therefore this provision is satisfied.

The rule must be within the authority of the Board of Directors. Pursuant to Section 5 of the CC&Rs for the R Ranch, "the Association may adopt such reasonable rules, not inconsistent with this declaration, as may be necessary or convenient to discharge the duties and responsibilities imposed upon them". As the CC&Rs give the Association the authority to make rules, I believe this provision of the code is satisfied.

The rule must be adopted in good faith and in substantial compliance with the requirements of the Code. Notwithstanding the omission of certain language from the ballot, it appears to me as if the vote was taken in substantial compliance and in good faith with the requirements of both the Code and the CC&Rs.

The rule must not be inconsistent with the governing law, the declaration, and the bylaws. This issue is a bit more complicated. The Association has broad powers under the CC&Rs. They are given the exclusive right to manage and operate all of the improvements of the Ranch "at their discretion". (Section 2(a)) They are also given broad authority to levee and collect fees and assessments from all of the members. (Section 2(b)) These broad powers are further described in the Second Amended and Restate Bylaws where the Association is given powers to enforce charges and create rules (Section 2(b)), to construct, maintain and operate the recreational facilities (Section 2(c)), and to maintain, rebuild and repair all of the improvements (Section 2(d)). These provisions collectively give the Association significant power to adopt rules and regulations. By extension, I believe the Association Members can enact rules and regulations pursuant to these controlling documents so long as they are not inconsistent with those documents. This brings us to the first potential issue.

Section 3 of the CC&Rs sets forth the requirement for cost and maintenance and operations of the facilities. It contains the following language:

"The expenses of maintaining and operating said recreational area and the improvements and facilities thereon shall be borne proportionately by all owners of undivided interest in R Ranch at the Lake."

The effect of the Campsite Rule imposes an additional fee of \$450 for purposes of capital upgrades and improvements to the camping facilities. My understanding is that the money is not allocated to capital improvements throughout the facility, but only to those utilized by the campers. The question is whether or not this additional fee violates the requirement that the cost of maintenance and operations be shared proportionately by all owners. To the extent that the additional fee is used for capital improvement, and not for maintenance and operation, then I do not believe the limitations of Section 3 apply. It is my understanding that the cost for all

maintenance and repair, for all of the facilities, comes out of the yearly assessment of \$1,150 per year. This is true whether or not the maintenance and operations are for the cabins, the pool, or the campsites. There are apparently no other additional fees which are charged. That would be consistent with Section 3 of the CC&Rs that all operating and maintenance expenses are shared proportionately by all owners. Given the broad powers that the Association has, I do not see anything inconsistent with the CC&Rs or the bylaws assessing a particular group that uses a particular facility, or type of facility, for capital improvements to those facilities. However, to the extent that the fees generated by the Campsite Rule are utilized for normal maintenance and operations, then I believe such fee structure would be a violation of Section 3 because it would disproportionately place the expense of maintenance and operations on a small percentage of the ownership group.

It would be my opinion that in order to remain consistent with the provisions of the CC&Rs, that funds generated by the Campsite Rule must be segregated for capital improvements and upgrades, and cannot be used for maintenance and operations. To the extent that capital improvements and upgrades are completed, then I believe that the Campsite Rule would then have to have a sunset provision otherwise it would be in violation of the CC&Rs as well as Civil Code §1366.1 which states that "An Association shall not impose or collect an assessment or fee that exceeds the amount necessary to defray the cost for which it is levied." In the alternative, the Association could amend the CC&Rs to specify that maintenance and operations can be allocated to specific groups that utilize those specific improvements, and need not be shared proportionately by all. Any such vote would have to comply with all of the rules and requirements of the CC&Rs, the bylaws and the governing statutes.

Is the Campsite Rule Reasonable?

The last issue to address is whether or not the Campsite Rule is reasonable. This is a question of fact which will be subject to interpretation by a trier of fact. I have reviewed the case law, but have not been able to find any case on point addressing this type of a rule. However, there is instructive language from various cases which indicates how the reasonableness should be applied:

"Restrictions found in a governing land use covenant are evaluated for reasonableness in light of the restrictions effect on the project as a whole, not from the perspective of the individual homeowner. Accordingly, courts do not conduct a case by case analysis of the restrictions to determine the affect on an individual homeowner; we must consider the reasonableness of the restriction by looking at the goals and concerns of the entire development."
(Rancho Santa Fe Association v. Dolan King (2004) 115 Cal.App.4th 28, 38)

There are approximately 200 campsites. All campsites are on a first come first serve basis. There are approximately 500 owners who utilize the campsites. Under the old rule, after an owner had been at a campsite for three months, they had to remove their vehicle off of the property for at least five days, and then move to another site. This would allow all 200 of the

Re: R Ranch

July 14, 2011

Page 5

campsites to turn over on somewhat of a regular basis. Under the Campsite Rule, all owners who want to use the campsites are put into a lottery and 50 names are drawn at random. Those 50 homeowners pay an additional fee of \$450 and in exchange for payment of the fee, after 90 days, they do not have to remove their vehicle from the property, but can move to a site at least three spots away from where they are currently camped. They are allowed to continue in this manner for 365 days whereupon there is a new lottery. While the rule has been effective in raising fees for capital improvements and upgrades, the unintended affect has apparently been that the 50 names drawn at random essentially swap sites throughout the year and therefore those 50 sites effectively never become available for other owners. Those opposing the Campsite Rule have argued that this loss of the 50 campsites is an unreasonable interference with their property rights as owners, and grants it to a class of owners who are willing to pay an additional \$450 a year for this additional privilege. They argue this discriminates against those owners who cannot afford the additional \$450. The question is whether or not the rule is reasonable both from a financial perspective, and from an implementation perspective.

I believe that the rule as implemented is probably reasonable. All members who want to camp have the ability to participate in the lottery. While there is a \$450 charge to participate, owners who are not picked for the lottery have to remove their RV from the property for at least 5 days. I am informed that the great majority of property owners store their RVs on an adjacent property called Pridmore Storage and that the annual storage cost is \$350 per year. If that is true, then any analysis of the financial impact of the Campsite Rule on the members would have to take that expense into account. If we assume that the great majority of users have a baseline expense of \$350 per year for storage, and the additional cost to become part of the lottery is only an additional \$100, then it would be my opinion that that added incremental financial expense is not so burdensome as to be unreasonable in light of the benefits which are derived from the additional monies in the form of capital improvements to the camping facilities.

The second issue is whether or not the loss of these 50 campsites pursuant to the lottery disproportionately impacts the use of the remaining campsites. Keeping in mind that the test of reasonableness has to do with the goals and concerns of the entire development, and not its effect on any individual homeowner, it would be my opinion that the impact on any individual homeowner as to the availability of campsites is not so unreasonable as to render the Campsite Rule unenforceable. There are currently 200 campsites for 500 users. That means that the demand exceeds availability by 150%. Under the Campsite Rule, 50 homeowners essentially tie up 50 spaces thereby requiring the remaining 450 owners to compete for the remaining 150 spaces. This means that the demand for those 150 spaces is 200% greater than the availability of spaces. This constitutes a 25% increase in demand over availability. Given the guiding concepts in the law, and the benefit derived from this additional fee, this 25% increase in demand over availability does not strike me as a provision which the court would determine to be unreasonable. Moreover, given that the Campsite Rule probably has a limited life (see page 4), any interference is probably of a limited duration.

Re: R Ranch
July 14, 2011
Page 6

Conclusion

It is my opinion that the minor defects in the balloting are not material and probably do not affect the enforceability of the Campsite Rule. Moreover, the fact that the Campsite Rule was voted in by the members, as opposed to the Board of Directors of the Association, leads me to believe that a court would be more deferential to minor discrepancies in the voting.

The rule as written and enforced appears to be reasonable, and reasonably related to the goals and duties of the Association. The primary limitation I see is that even though the CC&Rs and the bylaws grant the Association the power to levee and collect fees, under Civil Code §1366.1, the amount collected pursuant to such a fee cannot exceed the amount necessary to defray the cost for which it is levied. Therefore, as an income producing mechanism to make capital improvements to the campsites, I believe that the Campsite Rule as written and applied is enforceable, only until such time as sufficient fees have been collected to undertake and complete those capital improvements. At that point, I believe such an additional fee is required to terminate. In the absence of an extraordinary expense for a capital improvement, the CC&Rs for the project seem to clearly indicate that maintenance and operations are to be paid from regular and special assessments against all of the members proportionately. As a fee collected for maintenance would appear to be a violation of the CC&Rs, if the Association wanted to continue to apply the fee under the Campsite Rule after the capital improvements have been funded, I believe the Association would have to amend the CC&Rs to allow for imposition of such fees, and other fees, related to specific uses within the Associations' property.

Please telephone if you would like to discuss this matter in any greater detail.

Sincerely,



ROBERT P. OLIKER

RPO/cas

R Ranch at the Lake
Profit & Loss Prev Year Comparison

January 1 through July 15, 2011

	Jan 1 - Jul 15, 11	Jan 1 - Jul 15, 10	% Change
Ordinary Income/Expense			
Income			
4000 - Assessment Income			
4000.10 - Assessment Income (2010)	35,275.97	1,184,589.89	-97.0%
4000.11 - Assessment Income (2011)	1,137,062.55	0.00	100.0%
4002 - Late Fees (Assessment Late Fees)	15,960.95	4,567.76	249.4%
4003 - Payment Plan Income	15,155.79	1,265.44	1,097.7%
Total 4000 - Assessment Income	1,203,455.26	1,190,423.09	1.1%
4005 - Sales of Shares	0.00	389.50	-100.0%
4020 - Stables Income			
4021 - Riding Passes	1,902.00	1,035.00	83.8%
4022 - Board Income	16,528.23	14,294.14	15.6%
4023 - GGG Income	3,045.68	2,802.94	8.7%
4025 - Special Expenses (Special Expense)	632.85	0.00	100.0%
4026 - Guest Wagon Riding Pass (Guest Riding Pass)	35.00	0.00	100.0%
4027 - Wagon Dinner (Wagon Dinner)	128.00	0.00	100.0%
4020 - Stables Income - Other	35.00	71.00	-50.7%
Total 4020 - Stables Income	22,306.76	18,203.08	22.5%
4030 - Operational Income			
4031 - Guest Passes	22,870.00	14,419.00	58.6%
4032 - Extra Cabin	3,515.00	1,200.00	192.9%
4034 - Merchandise Sales	15.00	368.00	-95.9%
4035 - Vending	1,801.50	1,550.25	16.2%
4037 - Citations & Fines	5,897.00	2,520.00	134.0%
4030 - Operational Income - Other	200.00	0.00	100.0%
Total 4030 - Operational Income	34,298.50	20,057.25	71.0%
4040 - Activities	10,693.75	7,842.45	36.4%
4050 - Re-Sale (Pass Through)			
4051 - Gasoline income	1,022.39	2,122.68	-51.8%
4052 - Propane income	2,268.71	2,681.76	-15.4%
4053 - Postage & Copies	45.94	53.62	-14.3%
4050 - Re-Sale (Pass Through) - Other	0.00	14.00	-100.0%
Total 4050 - Re-Sale (Pass Through)	3,337.04	4,872.06	-31.5%
4080 - Operational Income (Admin)			
4036 - Pilot Program Income	24,885.00	28,540.00	-12.8%
4060 - Interest Income	130.29	466.00	-73.2%
4081 - Late and Service Charges	1,064.35	2,253.40	-52.8%
4082 - Miscellaneous Income	9,908.91	5,207.75	90.3%
Total 4080 - Operational Income (Admin)	35,988.55	36,487.15	-1.4%
Total Income	1,310,079.86	1,278,274.58	2.5%
Cost of Goods Sold			
5004 - Cost of Goods Sold			
5000 - Fuel Resale ((Pass Through))			
5001 - Gasoline CGS	1,459.95	1,556.25	-6.2%
5002 - Propane CGS	3,922.91	2,121.57	84.9%
5000 - Fuel Resale ((Pass Through)) - Other	5,893.60	0.00	100.0%
Total 5000 - Fuel Resale ((Pass Through))	11,276.46	3,677.82	206.6%
5003 - Vending Machine CGS	583.95	794.54	-26.5%
5004 - Cost of Goods Sold - Other	9.78	0.18	5,333.3%
Total 5004 - Cost of Goods Sold	11,870.19	4,472.54	165.4%
Total COGS	11,870.19	4,472.54	165.4%
Gross Profit	1,298,209.67	1,273,802.04	1.9%
Expense			
6000 - Collection Costs	1,000.00	0.00	100.0%
6004 - Housekeeping Supplies (Housekeeping Supplies)	10,923.87	0.00	100.0%
6005 - Office Supplies (Office Supplies)	14,826.50	32,665.22	-54.6%
6006 - Activities Exp.			
6007 - Supplies (Activities)	12,253.48	2,197.49	457.6%
6008 - Entertainment (Activities)	4,481.96	4,269.95	5.0%
6006 - Activities Exp. - Other	0.00	5,520.65	-100.0%
Total 6006 - Activities Exp.	16,735.44	11,968.09	39.6%
6100 - Vehicle Expense			
6102 - Maintenance	8,611.64	1,573.47	447.3%
6103 - Registration	983.00	1,310.00	-25.0%
Total 6100 - Vehicle Expense	9,594.64	2,883.47	232.8%
6160 - Printing & Postage			
7350 - Postage	1,000.00	1,106.25	-9.6%
Total 6160 - Printing & Postage	1,000.00	1,106.25	-9.6%
6175 - Reserve Expenditures			
6176 - Site to Site (Reserve) (Site to Site Expenditures)	3,125.70	4,770.52	-34.5%
6177 - GGG (Reserve) (GGG Expenses)	12,947.89	0.00	100.0%
6178 - Equipment Purchase (Reserve)	4,408.70	1,867.57	136.1%
6179 - Maintenance (Reserve) (Reserve Expenditures)	408.25	0.00	100.0%
6180 - Repairs (Reserve)	0.00	20,000.00	-100.0%
Total 6175 - Reserve Expenditures	20,890.54	26,638.09	-21.6%
6200 - Bank Service Charges			
6201 - Bank Account Service Charges	100.08	88.86	12.6%
6202 - Merchant Credit Card Fees	4,897.14	4,386.25	11.7%
6200 - Bank Service Charges - Other	0.00	1,803.84	-100.0%
Total 6200 - Bank Service Charges	4,997.22	6,278.95	-20.4%
6600 - Payroll Expenses			
6601 - Health Insurance			
6602 - COBRA	3,548.00	2,081.45	70.5%
6603 - Dental Insurance	7,117.84	3,210.45	121.7%
6601 - Health Insurance - Other	49,275.80	39,656.60	24.3%
Total 6601 - Health Insurance	59,941.64	44,948.50	33.4%
6605 - Workers Comp.	25,431.17	19,350.82	31.4%
6610 - Bonus	0.00	0.00	0.0%
6930 - Misc. Employee Exp.	4,190.05	2,093.00	100.2%
6600 - Payroll Expenses - Other	375,005.57	365,664.30	2.8%

R Ranch at the Lake Profit & Loss Prev Year Comparison

January 1 through July 15, 2011

	Jan 1 - Jul 15, 11	Jan 1 - Jul 15, 10	% Change
Total 6600 · Payroll Expenses	465,568.43	432,056.62	7.8%
6700 · Liability Insurance	80,551.60	80,339.56	0.3%
6850 · Services	572.25	570.78	0.3%
6852 · Professional Services			
6853 · Accounting Fees	0.00	123.75	-100.0%
6854 · Legal Fees	0.00	0.00	0.0%
6852 · Professional Services - Other	1,979.45	7,005.95	-71.8%
Total 6852 · Professional Services	1,979.45	7,129.70	-72.2%
6900 · Licenses and Permits	3,066.63	0.00	100.0%
7000 · Equipment Purch. - Operational	1,120.00	3,170.73	-64.7%
7020 · Stables			
7021 · Feed	41,160.14	28,668.50	43.8%
7022 · Farrier Fees	11,330.00	13,155.36	-13.9%
7023 · Veterinary	9,453.04	16,328.81	-42.1%
7024 · Stables Pass Through	156.40	31.16	401.9%
7025 · Supplies (Supplies)	4,386.08	0.00	100.0%
7026 · Horse Disposal	1,786.09	0.00	100.0%
7027 · Medication (Medication)	6,456.42	95.90	6,832.5%
7020 · Stables - Other	0.00	1,215.38	-100.0%
Total 7020 · Stables	74,708.17	59,495.11	25.6%
7105 · Deeds	2,402.15	1,413.40	70.0%
7106 · Education and Training	80.00	150.00	-46.7%
7107 · Software	0.00	195.70	-100.0%
7300 · Tax			
7203 · Sales Tax	0.00	495.24	-100.0%
7250 · Tax Penalty	0.00	0.00	0.0%
7302 · Property Tax	47,924.33	48,963.99	-2.1%
Total 7300 · Tax	47,924.33	49,459.23	-3.1%
7400 · Equipment Lease	1,443.16	1,916.31	-24.7%
7450 · Maintenance	32,904.05	30,544.35	7.7%
7451 · Electrical	1,469.84	0.00	100.0%
7452 · Infrastructure	496.81	0.00	100.0%
7450 · Fuel Expense (Ranch Vehicles)	3,670.60	8,064.29	-54.5%
7650 · Mileage	641.34	553.58	15.9%
7800 · Utilities			
7600 · Telephone	3,922.93	3,998.88	-1.9%
7801 · Electricity	57,972.76	51,871.28	11.8%
7802 · Propane for use by R Ranch	18,774.64	18,562.93	1.1%
7803 · Garbage	13,287.90	13,097.63	1.5%
7804 · Internet	420.00	420.00	0.0%
7800 · Utilities - Other	0.00	285.91	-100.0%
Total 7800 · Utilities	94,378.23	88,236.63	7.0%
799 O · Other Maintenance & Operations (Expenses - Major Repairs)	1,605.35	0.00	100.0%
8900 · Other Expense			
8901 · Over / Short (Over / Short)	-117.67	-239.53	50.9%
8902 · Reconciliation Discrepancies	0.00	0.50	-100.0%
8900 · Other Expense - Other	0.00	-40.00	100.0%
Total 8900 · Other Expense	-117.67	-279.03	57.8%
Total Expense	894,432.73	844,577.03	5.9%
Net Ordinary Income	403,776.94	429,225.01	-5.9%
Other Income/Expense			
Other Income			
8905 · Suspense (Suspense / Holding)			
8908 · 2009 West America Transactions (2009 West America Transactions - already recorded in 2009's)	0.00	0.00	0.0%
8905 · Suspense (Suspense / Holding) - Other	-31.00	0.00	-100.0%
Total 8905 · Suspense (Suspense / Holding)	-31.00	0.00	-100.0%
Total Other Income	-31.00	0.00	-100.0%
Other Expense			
8500 · Bad Debt			
CBA Clean up	-341.70	30,706.37	-101.1%
8500 · Bad Debt - Other	9,943.70	19,839.13	-49.9%
Total 8500 · Bad Debt	9,602.00	50,545.50	-81.0%
8910 · Miscellaneous Expense	55.84	0.00	100.0%
Total Other Expense	9,657.84	50,545.50	-80.9%
Net Other Income	-9,688.84	-50,545.50	80.6%
Net Income	394,088.10	378,679.51	4.1%

R-RANCH AT THE LAKE
BOARD MEETING MINUTES
7/16/2011

President-Joan Scannell called the meeting to order at noon.

Roll Call:

Joan Scannell-President-Present
Dan Wynn-Vice President-Present
Dorothy Guajardo-Treasurer-Present
Nellie Cutright-Secretary-Present
Mike Bersaglieri-Director-Present

Also Present:
Paul Quarneri-General Manager
Chris Lacombe-Office Manager

Pledge of Allegiance led by Dan Wynn

Joan and the board approved the minutes from the last meeting; copies were available on the back table.

Guest Speakers

Joan announced that there were no guest speakers.

General Managers Report-Paul Quarneri

There were a lot of activities going on this year.

We added speed bumps but had to remove them because the spikes holding them were coming out. In the future we plan to replace them with another method trying to slow people down. Kids are playing in the road and need to be protected. It is a safety issue.

We are setting up a miniature golf course on part of the tennis courts.
The baseball backstop has been moved to the back of the big lawn.
Let's play ball!

We are continuing to upgrade the cabins and trying to keep up with the woodpecker holes.

Sadly to say the RV area is an ongoing issue.

Paul talked to PG&E in July 2011 and is trying to get them to come to the ranch and check all of the electricity but is having trouble connecting with them, seems PG&E shipped the ranch plans to Fresno and they are trying to get them returned to Napa.

The youth center roof needs to be repaired before winter, we are getting bids.

Office Managers Report- Chris Lacombe

Chris thanked owners for updating their information in the office.

It was announced that the financial statements were on the back table and that treasurer, Dorothy, would discuss them later in the meeting. Chris announced we are doing better than last year and the year before.

Stables Report -Misty Pursell

Misty thanked all the owners who have volunteered at the stables, also talked about all the activities that have been done at the stables including the poker ride which raised \$1,400.00.

The draft horses are on a trial and error schedule, we are looking at a 5:00 and 7:00 p.m. rides on Friday, Saturday and Sunday.

Regular stable hours are in place. We are planning a young Buckaroo special to teach young ones how to rope, etc.

A Poker Ride is scheduled for Labor Day weekend with a Tri-Tip dinner.

Misty encouraged owners to tell their friends about the ranch and boarding horses here.

Sales Report- Alyce Cardinale

No report, broker not at meeting.

Presidents Reports-Joan Scannell

There are still concerns about the site to site program. An attorney was hired who reviewed the CC&R's and gave an opinion about the program. It is being considered to change the rotation days during the busy season from 30, 60, 90 to 30, and 60 to help with opening sites. We are also considering having owners stay four nights in a thirty day period instead of two nights to prevent storage.

Joan thanked the volunteers for all their help. There are several owners that come up all the time to help.

Big thanks went out to the volunteers who are working on the CC&R's and By-Laws they are Dorothy G, Gene and Ruth McCracken, Rita Nicholas & Barbara Shane.

The committee is hoping to have the new CC&R's & By-Laws ready in 2012.

Vice President-Dan Wynn

Dan gave thanks to all who have been volunteering, gave a special thanks to Mark Godfrey for doing wood shop work, helping with the horseshoe pits and making things in the shop and a special thanks to Wayne Palmerton and Steve Cutright for their work on the Bocce Ball court and horseshoe pits. Improvements to Friendship Park were discussed.

Thanks went to the stable people for their hard work.

Thanks went to Darren King for the donation of the 18-hole Miniature Golf course.

We have been having a problem with pesky mice and it was talked about bringing in a professional pest control company.

Joan spoke up about the pasta dinner that Luigi Bellini is putting on, discussed where to get the tickets, and informed the owners that the money will be going for Friendship Park improvements.

Treasurer Report-Dorothy Guajardo

\$61,510.00 In Site to Site Program (\$16,000.00 increase)

\$22,851.00 GGG Fund down from last year there was \$31,000.00 last year

^5,000.00 reserve increase

22% increase in Operating Fund

Misty is now worming and vaccinating ranch horses.

There are 367 shares in collections, an increase from last year. (Joan blamed the economy for the amount of collections).

Committee Reports

Equine Ad-Hoc-Nancy Pon

Nancy explained the difference of the Horseman's Association versus GGG. A committee of five will be formed so some of the monies in the account can be used to purchase T-shirts to sell to raise money for the owner horses.

Boat committee-Rebecca Sanchez

Rebecca discussed the look of the covered storage. A paint day was scheduled, the first day, Albert painted by himself, no one who said they would help showed up. Sunday Steve Cutright and Wayne Palmerton helped get people together and paint the rest of the boat area. People who didn't even own boats helped.

There will be a regrouping of the committee so everyone knows their responsibilities.

Boat owners were reminded they cannot sell their boat storage area with their ownership. Covered sites are on a lottery and a \$2,000.00 onetime fee is to be paid if you are picked. The covered boat site is yours until you sell your share.

Paul was thanked for going through the boat area and getting it cleaned up. It was mentioned about a \$200.00 refundable deposit for having your boat on the ranch as a disposal deposit if your boat is left abandoned. A procedure will be worked out to make sure owners are using their boats. Paul mentioned that there are some uncovered boat sites available and they will be calling owners on the waiting list.

Campground Committee-Jim Gondola

Jim mentioned they should have a board member present at their meetings, they have not had one.

Electricity for the new campsites- In October of last year the electricity plans were to be done. January they were still not done. In April we found out the plans were submitted in February and that we are waiting for an inspection from the county.

Cabin Committee-Liz Spiker

There was no meeting due to a time mix up.

Liz brought some new fabric for the cabins, there is enough for six cabins and would like to paint one wall to match the color of the fabric.

CC&R'S and By Laws-Dorothy Guajardo

If all goes well the CC&R's and By Laws will be going out with revisions in 2012 with the election materials.

Volunteers working on the CC&R's have experience and one of them just had their CC&R's updated through a lawyer

Elections Dorothy Guajardo

We only have two candidates running for election and Dorothy spoke with Dan McCarthy and Gene and Ruth McCracken and Dorothy can make a motion to elect Joan and Dan back into their positions. It is called an acclamation and if no one rejects it then Dan and Joan will be re-elected to their positions. It was voted on during the meeting and Joan and Dan are re-elected and no elections will be held. It will be posted on the website and post cards mailed to owners without email addresses that the elections are not being held due to only having the incumbents running.

Open Forum

#392 Joann Hyndman talked about Ed and the electricity and the fact we are waiting for PG&E. She also discussed the county and the fact that they don't really care for the ranch.

Big thanks were given to the board for their hard work.

In regards to the site to site program only a 25% of the ownerships approval is needed to change the By-Laws. When she purchased the ranch she bought in

with equal rights to the ranch and the site to site program is limiting this. There are over 500 owners with trailer and only 250 sites.

Joann talked about a special assessment. Dan Wynn explained that the site to site program is generating money year to year. The legality of the site to site vote was verified through an attorney. The attorney's letter was given out to the owners at the meeting.

Joan announced that the site to site program will be voted on again in July of 2012.

#537 Roxanne Bell-her husband Paul works for PG&E. If you give them the information about the electricity they will advocate for the ranch.

#430 Julie Lafreniere and her husband do alternate weekends because they have a dog, she would like a dog friendly area on the ranch.

#450 Jeff Salvato- The site to site program is allowing 50 owners to get the prime sites and the other 150 sites are up for grabs.-Jeff proposed that the 50 owners go off for 5 days, put in a holding area on the ranch and then they can go back into the campgrounds. He wants the site to site issue addressed.

#350 Mrs. McSharry walks the ranch and sees a lot of permanent people and they are holding prime sites.

Paul announced that Nancy Pon volunteered to be the campground host and do the campground host duties. Nancy spoke up and reminded Paul she could only do it on weekends because she has a full time job. Nancy stated that one of the reasons she is going to be campground host is because another owner is on her site. She is going to take a map and walk the sites and verify that they are on the right site and that all vehicles have current registration.

#1418 Wayne Palmerton- He defended the site to site program and admitted that he doesn't have to move his trailer off the ranch.

#797 Judy Brandi- She thanked the board for all their hard work and stated that this is the best board we have had in years. She also thanked Paul for all of his hard work and stated how he goes overboard on trying to answer questions and help the owners. She asked about empty sites in employee housing. Paul explained that they are all taken but he could make room if he had to. He verified that there are more than 50 sites in the campground that are not leaving the ranch or site.

#687 John Scannell wants to know about the temporary storage or holding area on the ranch. He feels the board and the owners should get together and look into temporary storage on the ranch. John feels that all the owners should get involved trailer people, cabin people and the board. The bottom line is the ranch needs money.

The meeting was called at 1:50 p.m. next meeting will be October 15th

Nellie Cutright- Secretary

**R Ranch at the Lake
Ranch Owner's Association
Meeting Minutes
August 20, 2011**

Roll Call:

Joan Scannell - President	Absent
Dan Wynn - Vice President	Present
Dorothy Guajardo - Treasurer	Present
Nellie Outright - Secretary	Present
Mike Bersaglieri - Director	Present
Paul Quarneri - General Manager	Present

Due to President, Joan Scannell, being absent, Vice President Dan Wynn, called the meeting to order at 10:30a.m, and led the Pledge of Allegiance.

Approval of minutes from previous meeting:

Minutes from the last meeting were approved, posted and available at the sign in table.

Reports:

Presidents: Given by Dan Wynn

There are several projects being worked on about the Ranch. Campgrounds by the South House. Electricity- we are working with PG & E but unfortunately the person assigned to us went on vacation until September 24th, and his replacement does not want to touch his paperwork. Dan asked Paul regarding the transformers, Paul stated two 600amp transformers will be installed and by doing this it will take the stress off the other panels, Dan is hoping to have more campsites by next season, if possible.

Treasurer- Dorothy Guajardo

Dorothy spoke about not having an election this year because only the incumbents were running. The time for submitting your intention to run was extended but there were no responses. As treasurer Dorothy felt the cost of the election was too much since we have never had a write in win an election. At the last meeting on July 16th, Dorothy made a motion to re-elect Joan as President, and Dan as Vice President. The rest of the Board agreed along with all the owners at the meeting.

Vice President- Dan Wynn

There are tags on golf carts because of abusive driving. These tags will allow the Ranch to enforce fines for reckless driving. There are too many people loaded on golf carts, underage driving, and just reckless driving. The procedure for the carts is still unclear and will be discussed at the October Board Meeting. It was stated that for \$5.00 a month you can add liability insurance to your home owners insurance. A waiver for the golf cart owners is being looked into.

An owner brought up that a bottle of champagne was taken into the pool area. Paul spoke up and let the owners know this was true and the owner was fined \$500.00 and the group was removed from the pool area.

Another owner spoke up regarding the increase in income from fines from \$1,500.00 to \$6,000.00. Dan stated that the rules for fining are being enforced.

There is a By-Law Committee that includes Ruth McCracken, Rita Nicolas, and Barbara Shane. They are working very hard and this project is making progress.

Open Forum:

Greg Oliveria #1722: Greg is looking at becoming a volunteer Activities Director for the Ranch. Greg, did research and printed out a book of low cost and free activities for kids, he also thought of different age groups including adults, he will be glad to give out his email if anyone has ideas. Greg's goal is to make things more fun on the Ranch.

A motion was made to appoint Greg as volunteer activities director, it was seconded and approved by the board and audience.

Cory Hawk #122: Boat owner, Cory is concerned about the juggling going on with the waiting list. People that signed up after him are now ahead of him on the list. Cory would like a list posted on the website so owners know where they stand. Paul is working on the boat storage area with Hannah Quist and once the list is completely reviewed and updated it will be posted on the website.

Ron Delfino: Ron discussed the guest passes. He wants the new passes, one of the old 30 day passes for 30 new one day passes worth \$15.00.

Ron also stated he can no longer pay his assessments in full so he pays half at a time. The Ranch charged him \$30.00, which he does not think is fair, there's not \$30.00 of paperwork going on.

The Board feels this item needs to be addressed as a major agenda item. It will be re-discussed at the October 15th meeting.

Some owners wanted to know how many guest passes you get if you pay your assessments in full. You get 4 passes.

Alyce Cardinale #1225: Alyce spoke about guest passes. She stressed that \$15.00 for a guest pass is not that much, their getting a deal. This is 2011 and the cost to run the Ranch has gone up, and \$15.00 is cheap.

Debbie Salazar #179: Debbie stated she loves the Ranch and so does her family. She would like to see a list of owner's trades so we can get some help with repairs on the Ranch. The Board is going to post a list on the website and in the lodge for owners who want to volunteer. Debbie also asked about storage for trailers on the Ranch for a fee. The Board is looking into this but has to work with Napa County.

Dorothy adjourned the meeting

Dan thanked everyone for coming.

Next Annual Owners Meeting is August 18, 2012

Secretary

Nellie Outright

**R Ranch at the Lake
Board Meeting Minutes
October 15, 2011**

Treasurer Dorothy Guajardo called the meeting to order at noon.

Roll Call:

Joan Scannell- President	Absent	Also Present:
Dan Wynn- Vice President	Absent	Paul Quarneri- General Manager
Dorothy Guajardo- Treasurer	Present	Chris Lacombe- Office Manager
Nellie Cutright- Secretary	Present	Misty Pursell- Stables Manager
Mike Bersaligeri- Director	Present	

In the absence of President Joan Scannell and Vice President Dan Wynn, the meeting was led by Treasurer Dorothy Guajardo.

Pledge of Allegiance led by Dorothy Guajardo

Minutes from the July Board Meeting, and the August Owners Meeting were approved and copies available on the back table with the meeting agenda, and sign in sheet.

Managers' Report: Paul Quarneri

We are preparing the ranch for the rainy season.

We are trenching areas of the campground providing better drainage.

New roofing was done to the youth center, maintenance shop, bathhouses 1-6, and the pool house.

We will be spreading base rock in "The Cove" and most of those sites will be reopened.

PG&E estimator finally came out and gave us an estimate of \$12,000-\$24,000 to add two new panels in two major areas, the South House and Bathhouse 7.

We are currently looking at pricing on the panels and will be updating maps to submit to the County.

These costs and/or any campground improvement costs will come directly from the site to site fund.

Office Managers Report: Chris Lacombe

We've done much better financially this year than in the past which is nice to see.

There are 327 shares currently in collections which totals over \$408,000 which comes out of all costs to run the ranch, work that can be done etc.

Stable Managers Report: Misty Pursell

We currently have 44 Ranch horses and 46 Owner horses.

There are two new additions from the Falon Nevada Feed Lot, a 4 year old and a 14 year old, with no health issues, both a ready to ride. Plus two wild mustangs, we are hopeful to have trained and the wranglers riding by next season.

The stables will remain open 7 days a week though winter.

We are starting a sponsorship/adoption program to help 4 of our horses who have been faithful to us to live out their golden years on the ranch. Please contact Misty for more information, questions, or to make a pledge.

The Horseman's Association is hoping the program will be officially up and running again by next season.

Sales Report: Alyce Cardinale - Absent- No report

Paul stated that no ranch shares have been sold.

President's Report: Joan Scannell - Absent- No report

Vice President's Report: Dan Wynn- Absent, no report

Treasurer's Report: Dorothy Guajardo

Assessment will increase \$100.00 for 2012, making 2012 Assessments \$1250.00.

The \$100.00 will go directly to the reserve account, which is severely underfunded.

Reserves are currently at \$320,000.00 Our CPA calculated \$596,000.00 as financially healthy, leaving us \$276,000.00 shy.

With 1193 paying members the \$100.00 increase will bring us just \$156,000.00 shy of that number, which makes us hopeful that this will be a one-time increase.

Equine-Ad Hoc Report: Sharon Commisso

Spoke of the amazing amount of fun had by all this summer, and is hopeful to see that continue.

The Committee has been working with Jack to keep the large arena maintained, they have also been working with Misty to prioritize a wants and needs list, and identifying areas that can be accomplished with the funds they have.

1. Re pad the stalls with clean dry sand.
2. Cover the sand arena for year round use.

Planting our own quality hay again this year in a couple of the pastures, to help cut costs.

Boat Committee Report: Albert Sanchez - Absent- No report**Campground Ground Committee Report: Jim Gondola**

Jim talked of people getting stuck in the campgrounds last winter, partly due to poor traction caused by wet leaves. The ranch has a vacuum that pulls behind the red mule that might help eliminate some of the problem.

Cabin Committee Report: Liz Spiker #328

The committee met with Paul to discuss recent work done and working on the list submitted by the cabin committee last year. They will be doing another walk through making a new list of repairs needed.

The subject of dogs in the cabins was brought up again. Many owners are in favor of this and some are not. This is a very touchy subject and led to a heated argument. Paul suggested the issue be put to rest for the day and move on with the meeting, that the arguing amongst ourselves is getting nowhere.

Paul and Dorothy both agreed that this issue definitely needs to be addressed and should be put on the ballot next year, and that a "Dog Cabin" Committee should be formed to address the pros and cons of having "dog cabins".

Governing Documents: Rita Nicholas #114

The committees formed by Rita Nicholas, Barbara Shane, and Gene & Ruth McCracken, have been working on revising our By-Laws and are now starting the revision on the CC&R's. Once done and the Board approves they will be taken to the Attorney to make sure it is all done legally. They will then be sent out to every owner for a vote and must get a vote of 66 2/3 of the owners.

Guest Passes

The passes with a \$10.00 face value will be grandfathered in for 2012, and will be valued at the current guest pass price of \$15.00 until December 31, 2012, after that they will go back to the face value of \$10.00. The 30 day passes will not be honored for anything other than what they are, and may not be traded in for 30 individual day passes.

Six (6) guest passes will be given to those who pay their 2012 assessments in full.

Four (4) guest passes will be given to those who pay in two (2) payments. Pay the first half of the assessments you will get two (2) passes, when the second half is paid you will get two (2) more.

Site to Site and 30, 60, 90 Day Rules, Fees, and Fines:

After taking the site to site program to the attorney, to find out it is "legal", the site to site program will continue in 2012. The drawing will be held at the January Board Meeting.

The new 30, 60, 90 day rules: you must stay 4 nights (on season) and 2 nights (off season) in the 30 days to get your next 30 day tag.

Overstay fines will go up to \$10.00 per day for the first 7 days, and \$20.00 per day after that.

The site to site program is not a forever thing and will end once we have the funds for improvements

Fees and Fines: Mike Bersaligeri

Golf Cart Safety and Speeding was addressed at the August 20th owners meeting, and the new rules with be strictly enforced. Fines will be issued for these violations.

You must have a driver's license or be 18 years of age, to drive any motor vehicle.

NO standing on the back of golf carts, or excessive amount of passengers.

The Speed Limit on the Ranch for motor vehicles of any kind is 10 mph.

Open Forum

#114 Rita Nicholas

Spoke about "Maxine" the pool sweeper breaking down causing the pool staff extra duty to keep the pool clean and needs to be replaced. Rita also stated that the carpets in the lodge look terrible and need to be cleaned professionally. She then inquired the possibility of there being money to replace the carpet throughout the lodge. Dorothy stated the possibility of looking into replacing them after the rainy/muddy season ends.

#179 Debbie Salizar

The couches in the lodge are old, dirty and uncomfortable; it would be nice to get new ones. Debbie also suggested it would be nice if we could do some sort of "family package deal" in the summer (excluding the big holiday weekends) Where you could bring a family on as guests for a package price. This would be a good way to get more families up here who could be potential buyers.

#709 Terri Hart

Spending two nights in the 30 days in the winter is only going to cost the Ranch with people using extra utilities, heaters, lights, etc. Terri feels the off season nights should stay at one, because we don't have the problems with no empty sites in the off months.

#1010 Nancy Pon

Nancy feels we need to be more pet friendly. More people are buying trailers just to be able to bring their dogs with them, adding to the overcrowding problems in the campground. She also suggested making 5 cabins in one area, charging deposits in case of damage. Suggested at least giving it a try.

#1243 Shannon

I bought a trailer because I have pets, but not everyone can afford to go out and buy a trailer to be able to bring their animals. I find it hard to believe that allowing a dog in a cabin is going to "destroy" the cabin, because in most cases our dogs are a part of our family and are inside dogs that are house trained and more than likely treated for fleas, ticks, etc. If a deposit was required and your dog damaged the cabin you would be responsible for the costs.

#1072 Cory

I know someone who has been here and loves it, but also has a dog. He has said how he would love to buy in but would not be willing to make the commitment until he could afford to buy a trailer so he could bring his dog.

#593 Jesse Green

Jesse pointed out that using an excuse of dogs will infest the cabins with fleas and ticks is a excuse. Take a look anywhere around this Ranch and you will see deer and squirrels everywhere. Deer and squires carry more fleas, ticks, (and even disease) than anyone's pet, that they allow in their houses.

**The meeting was adjourned by Dorothy.
Next meeting will be January 21, 2012**

Executive Board Meeting Minutes

Meeting 11/20/11

In attendance: Joan Scannell, Nellie Cutright, Mike Bersiglieri, Dorothy Guajardo, Paul Quarneri

Items discussed:

Office Manager, Chris Lacombe to start approving employee time cars on Mondays. Chris is also to move his desk from back shed, into the ROA office by 12/6/11

Discussed pay periods for new book keeper to take over, effective 12/11/11. New payroll service to take over payroll for first January 2012 payroll.

Paul to straighten out employee owned horse numbers and report back to BOD's.

Owner (private) was sent to collections.

Personnel issues were discussed.

Paul was to have Co2 detectors to be installed in employee's houses, have employees sign a letter saying that they received the detectors and all A cabins.

Meeting 12/17/11

In attendance: Joan Scannell, Nellie Cutright, Mike Bersiglieri, Dorothy Guajardo, Dan Wynn, Paul Quarneri

Items discussed:

PG& E needs over \$11,000.00 between 2 checks from the Site to Site account for permits to upgrade electrical system in camp grounds.

Asked Paul why our 2010 taxes were not completed? Dorothy was notified by the new book keeper on 12/13/11 that the 2010 taxes were never done.

Dorothy to check with CPA if extensions were filed.

Asked Paul who prepared the 2011 Reserve Compilation packet that went out to the ownership, this was to be done by the Ranch CPA.

Discussed BLM land lease, where is the parcel that the Ranch is leasing? 40 acre parcel that contains our water tower/storage reservoir.

Justine to get more maps from assessor's office on Monday.

Paul is to work with BLM in Ukiah to find out what our options are.

Paul brought to our attention that Dan Wynn approved over \$3500. in materials to improve Maria (our house-keeping employee's house).

Mike wants to initiate 2 BOD's signatures required for any purchase over \$500.00.

Paul notified us that the pool has a large crack in it. Paul will have Colby (pool company) come and look at it, possibly still under warranty.

Joan asked Paul of winter layoffs and hour cutback had been done in all departments?

12/31/11 Meeting

In attendance: Joan Scannell, Nellie Cutright, Mike Bersiglieri, Dorothy Guajardo, Dan Wynn, Dorothy Guajardo, Paul Quarneri

Items Discussed:

Personnel issues (private). 2 employees were terminated

Create supervisor positions for all departments.

Have CPA prepare new reserve schedule/booklet to send out to ownership with a letter explaining that the previous mailing was not correct.

Discussed why our payroll person in our office was not deducting the correct amount for employee's portion of the medical insurance. The new book-keeper found that our employees owe the Ranch money for benefits.

All employees living on the Ranch must work a minimum of 24 hours in the off season to maintain housing on the Ranch.

Dan Wynn to do Ranch owned vehicle count to make sure our liability insurance company has proper count of Ranch owned vehicles.

Dorothy to get Certificates of Additional Insured from snack bar and country store sub-contractors (Alvaro & Nellie) required by our liability insurance company. Make sure both sub-contractors have insurance for beer and wine sales and consumption.