

R RANCH AT THE LAKE NAPA

Board of Directors Owners Meeting

Minutes for: October 20, 2012

President Dorothy Guajardo at the RRanch at the Lake Lodge called the regular meeting to order at 12:16 pm.

DIRECTORS PRESENT: Dorothy Guajardo, President
Rita Nicolas, Vice President
Nellie Cutright, 2nd Vice President
Joan Scannell, Treasurer
Kathy Palmerton, Secretary

OTHERS PRESENT: Tony LaRosa, Ranch Manager
Kelley Wagner, Office Manager
Misty Pursell, Stables Manager
Allison Perry, Lodge Supervisor

PLEDGE OF ALLEGIANCE: Rita Nicolas led all attendees in the Pledge of Allegiance.

APPROVAL OF MINUTES: Rita Nicolas made a motion to approve the minutes from the following meetings: July 21, 2012, Quarterly Meeting August 18, 2012, Annual Meeting, August 18, 2012 Executive Session; September 9, 2012, Executive Session, October 7, 2012, Special Meeting, October 14, 2012 Executive Session. Kathy Palmerton noted that there is additional information for the August 18, 2012 Annual Meeting for the total number of votes received as 356. Rita amended her motion to include this information. Joan Scannell seconded the motion. **VOTE:** Five Ayes, No Nays, Motion Carried.

REPORTS:

President Dorothy Guajardo met with Tony: they will be closing Bath Houses 2, 5 & 6 and start shower valve replacement and cabins 71-100 for winter. Showers are being closed in pool so all showers can be redone. Thank you to Carlos Pagan for getting hardware at low cost for us. Dorothy stated the Board of Directors is working on a job description for a new ranch manager, which we need and will be posting publicly. New fire fees are coming in from Cal Fire at \$150 for each habitable unit. Kathy Palmerton stated there is a Class Action Suit against this fee, but we must pay now and if suit is won, fees may be returned. Dolly announced that we are in need of contractors to help with fixing the Lanai and would like to take bids from owner contractors for this and from plumbing contractors to help with replacing shower valves. She stated they are talking about a dog park in the old goat area where dogs can get exercise.

Treasurer Joan Scannell reported that as of September 30, 2012 there were 1042 current paid owners. Current Finances: Savings \$600.13; GGG \$36,756.84; Site to Site \$65,479.97; Reserves \$406,620.26 and Operations account \$163,146.50. The ProForma Budget is in progress, we continue to have meetings to get this done.

Ranch Manager Tony LaRosa reported that with summer gone there is a still lot of hard work to do from now through spring. Cabins are being worked on – turning out nice. Snack bar needs new AC and flooring. New cameras have been installed in the lodge and are on tape. State regulated new flow gauge for sewer pond, now in process of installing that meter. They are in process on fixing

roads and hope to renumber trailer sites this winter. Golf carts left behind will be moved out of storage to another area to be retrieved. Six more sites are being made in the boat storage area. Thanks to owner 818, Phil Tsharner, for being good security at night for Tony.

Office Manager Kelley Wagner stated there is not a lot new. Office is trying to get accounts cleaned to get annual billing out. We need everyone's emails for better communication with owners.

OFFICE MANAGER: continued: Collections are being worked on but it is a major project as restructure needs to be done. Office will help Tony with Golf carts and boat storage. Rita asked for total of shares sold in office. This year there were 51 transfers of shares for the year.

Stables Manager Misty Pursell gave the update that there are now 36 ranch horses and 37 owner horses. The Big Arena needs face lift – grinding of rocks in the big arena will be paid for by AdHoc. They want new panels put up and to take down the old fences, so they are looking into that. There will be new sand added in the stalls – paid for by AdHoc. She is asking for volunteers to help with this project. The staff is staying busy, it is maintenance time with repairs being done and wood needing replaced. Paddocks need repair. Brad Pursell will help with welding. Vaccine clinic next week for horses and volunteers are needed. They will be decorating horses next weekend on Saturday for Halloween – everyone is invited down. Please call if weather is inclement to see if barn is open.

Lodge Supervisor Allison Perry announced we have canceled the Oktoberfest dinner as only 4 signed up. All other dinners will be handled the same to save time and expense. Next weekend we are doing a Chili Crock off at noon next Saturday, Judging will all be by owners – we must specify to what specific project to which the donation money will go. She asked owners if they would approve the project as a new iPod for lodge to use with the Bose system. "OK". There will be pumpkin carving and the campsite decorating contest followed by trick or treating by hay wagon from 6-7pm. All departments will participate in the trick or treating there will be the dance and costume contest. There is a live Band for dance. The Board requested Allison update us on the Rodent Population Control Project. Allison had found a bait station to use as the rodents are out of control but we have to worry about other animals possibly ingesting the poisoned rodents. Barbara Shane found that a safer way is to put alka seltzer down the holes. Rita reports they tried that and the ground squirrels are not eating them. It is recommended we get advice from exterminator. Tony says no poison will be used due to secondary exposure. Allison will call exterminator and report back to Board of Directors and Tony.

Sales & Marketing: Alyce Cardinale stated she received an email from the Board, dismissing her as the sales agent. She had served on Board of Directors for 4 years and as real estate agent for 10 years. She appreciates how hard it is to be a Director. Back then, no email was ever used to communicate with people – people were brought into meeting, a protocol was followed. She feels the ranch is being micromanaged currently. She brought letter emailed to her by Board of Directors and referred to it in report. She has been helping a delinquent owner sell her share and get past due money into the ranch. She told the office she wants to do more of these, but none have been referred to her, which does not make sense to her. She did not address any sales for the year or upcoming leads. She stated the Board of Directors is doing away with contracted agent and concentrating on helping owners get their delinquent money into the ranch. Dolly stated we will be inviting Alyce to meet with the Board of Directors in executive session. Alyce then addressed the 'rumors' she has heard about her trailer being in one site for years. Paul Adams gave her a site for her trailer. She then stated the ranch is selling shares illegally with a broker. Her concern is the Ranch is not following rules. She has enjoyed being the Ranch broker and sorry it has come to this.

COMMITTEE REPORTS:

Boat: no report

Campground: Jim Gondola Owner 637. There were 4 bids for electrical work for proposed campsites by south house. A Bid was approved and contract signed. Napa County will not issue permit until inspected but will not be out until October the 30th. Once this is done there will be 14 sites opened up and power will be redirected for more efficient use in adjacent area. The project will need volunteers to help. The trenching will be done by owner volunteers and free trencher from Phil

CAMPGROUND REPORT: continued: Tsharner. Thanks to Phil for getting the trencher. Thanks to owners for getting trailers moved out of the area so quickly. Also, lots of squirrel talks at the meeting.

Cabin: no report as there was no meeting.

Collections: New information on statute of limitations has us reviewing accounts and there are adjustments that need to be made to the accounts on collections costs. Volunteers welcome.

Dog Cabin: Larry Jenkins Owner 161 – no new information. Dolly announced if any Dog Cabin people want to help with the dog park, please see Dolly.

Equine Ad-Hoc: Larry Jenkins Owner 161: committee is up and working again but need more owners. They have about \$36000 in funds with \$2500 approved for use in stables this winter such as grinding rocks in big arena and sand and area mats in stalls. They are looking for volunteers to help put in sand purchased by committee. Any owners interested in coming to meetings are welcome. Question from Owner 1056: Are they looking for used cover for small arena? Per Larry Jenkins the committee has set aside \$12000 for small arena cover are committed to this project. They are looking at used structures that volunteers could tear down and rebuild for under \$12000. Also, meetings are open for any owner who wants to help with this stables area.

Governing Documents: Rita Nicolas stated that we received comments back from the attorney, 19 pages worth. Once revised the documents will be forwarded to the Board of Directors to approve. Once this is done, and good draft reached, it will go out to owners for vote.

Advisory Committee: Barbara, owner 998, announced that there is a new email address for suggestions on ranch and all suggestions will be considered and all emails will be answered. It is in the newsletter. Rita asked how many members there are on the committee – Barbara stated that there are 4 now and we are looking for 5th. John Laffey is considering coming to a meeting. Rita announced if any owner is interested in serving on this committee; please email their interest to committee.

OLD BUSINESS: Update on WiFi – Corey Hawk reported that Valley Internet started last week, starting with lodge; repeaters have to be trenched and added to our electrical. All material is at cost and labor is free. Valley Internet owner likes the ranch and is willing to help us out. We are getting own circuit for the whole ranch. It will take 4 weeks to roll back into campground area. If you are on the range fringe, and do not get a strong enough signal, there will be amplifiers available to borrow from the office. The Board of Directors will have uniform email addresses that will also keep us free legally. Owner 1056 asked: can we post Valley Internet email to thank them for all work. Yes: please <valleyinternet.com> to send your comments.

NEW BUSINESS: Per Rita Nicolas, the contracts with store and snack bar vendors have been completed. They are now in process plus getting copies of all insurances required by each. Housing contracts for employees of each will be created and in process along with these contracts. Our Bookkeeper has put together some figures for owners, re: store and snack bar costs. Annual cost for these to ranch: store: for propane, PG&E and repairs \$17000 and snack bar costs are \$6600 with no income to ranch.

Owner 1304 Sazio questioned why we have no control over these and why are we not getting a portion of these. In the past there never has been any income from the store. Per Rita Nicolas, when snack bar vendor was questioned, he stated he could not afford to come here if he had to pay these expenses: Rita had not asked Nellie yet. The Alcohol license is in the ranch's name therefore, Alcohol sales to be addressed at Executive Session on Oct 28th. Nellie stated that if she had to pay her expenses back to the ranch that she would have to raise prices because summer is the only time she has enough business to keep open. Nellie questioned difference in costs between the two vendors. Owner 1304 asked: can employee sell alcohol in Nellie's store. Then owner 252, states she has had a liquor license and because we (the Board of Directors including Nellie) are fingerprinted,

NEW BUSINESS: continued: and that Nellie could possibly sell alcohol under the R Ranch license. Owner: question: has snack bar contract been put out for bid? Rita responded that we have had several vendors for the snack bar in the past, no bids done because it is so hard to get vendors to come to our location. Owner 147 stated that a long time ago vendors came in and were responsible for all costs and expenses but failed. In order to give owners the convenience of the store and snack bar, the Ranch had decided to support these vendors. Rita Nicolas made a motion to approve store contract pending attorney review. Joan Scannell seconded the motion. VOTE: Five Ayes, No Nays, Motion Carried. Rita Nicolas made a motion to approve snack bar contract pending attorney review. Dorothy Guajardo seconded the motion. VOTE: Five Ayes, No Nays, Motion Carried.

Joan Scannell announced all tax issues are up to date and under control no penalties had to be paid.

ASSESSMENT PAYMENT PLAN: Starting for year 2013, the office policy is changing to only automatic withdrawal as a form of monthly payment. This is due to an unacceptable amount of returned checks. Dorothy Guajardo made a motion to approve the new process; Kathy Palmerton seconded the motion. VOTE: Five Ayes, No Nays. Motion Carried.

DEDICATION OF CABIN FUNDS: Liz Spiker requested this agenda item, but is not present today. Dorothy Guajardo states fees from guest cabins are to be earmarked for future building of new cabins. Dorothy Guajardo made a motion that all fees collections from guest payment for cabin use be dedicated to future new cabin construction. Nellie Cutright seconded the motion. VOTE: Five Ayes, No Nays, Motion Carried.

PROPOSALS FOR POOL DECK: we have just this week received 4 proposals regarding the pool decking. However, they are not all about the same type of work. Therefore, we need to revise the request for work and get all proposals for same work. Board of Directors will work on this. Item tabled for more information.

OPEN FORUM: Board of Directors – Dorothy Guajardo made an announcement that the Board of Directors cannot discuss personnel issues by law, so please do not expect us to comment.

Owner # 147: owners since the ranch opened and always cabin users. Past few years, maintenance on cabins has been almost non-existent. Lately a couple of cabins are being repaired with new floors and vinyl. However, the problem comes from (1) low number of new ownerships and new ownerships should be for cabins. (2) It is hard to sell to new cabin people when cabins look so poorly. The leaves must be removed from roofs and around exterior at outside and all trim on cabins and Bath Houses needs paint. Owner is in hopes that the Board of Directors can find funds to paint this year; maybe hire a contractor to come in. There is also a need to get rid of mildew around bottom.

This needs to be done before spring when more interest in shares comes. Dorothy Guajardo requested owners to please put in request form at office if you see things that need to be done.

Owner # 352: wants to talk about Cowboy Jack. Board of Directors will not comment on a personnel issue. She would like the Board of Directors to listen. She understands Board of Directors does a great job, 180 owners plus disagrees with Board of Directors on Jack's issue. Joan Scannell restated that the owners can state their point but the Board of Directors cannot comment on Personnel.

Owner # 709; issue with Jack is due to no system on the ranch with proper channels of supervisor as there is no ranch manager on the ranch to make and approve decisions. She supports everything Jack has done and brought to the ranch. She made appreciative comments of how the stables are run when Misty is present but how that changes when she is not there; the staff is not doing what they are supposed to be doing. Owners are afraid to voice their opinions due to backlash on the ranch. This should not be. When horses on the ranch have a problem the young staff is not experienced enough to handle the problems. We need an experience person like Jack to work in the stables.

Owner # 1034: just found out about Jack today and is appalled and stands in solidarity with these other owners;

Owners # 352: Owner asked if he could come to a meeting regarding employees. Owner stated the Board of Directors did not know about the decision and how can one supervisor make a decision with Board of Directors knowledge. Joan commented the Board of Directors was notified was notified by Misty and the Board of Directors trusts her decision. Owner is asking is a Labor Law Attorney going to be involved – Board of Directors stated that means we are suing ourselves.

Owner # 256: this is my happy place and this controversy is breaking my heart. This decision to lay off Jack is affecting her and her family. She loves what he has brought to this ranch.

Owner # 1294; Owner states he is 80 years old and has a horses here and gets along with everyone. He is here every day 2-4 hours. The Ranch has great horses but since this issue, one of his horses is ill and in segregation. His family cared for horses; Jack put another horse in with his, to be moved shortly but horse never moved. He had to move his horse out. He stated he watched this employee drive his horses with wagon around stables and spooked horses. He is stating facts; not in support of terminated employee.

Owner 1034: owners for 30 years; with 10yrs to pay for share. Presently, the shares are low. She does not understand why she has pay \$50 per day to use the ranch house. Owners who have been here for years should have “some consideration”; they are on a fixed income. She has complained at past times that her complaints were not considered. On the Positive – Deborah Cook did a fabulous job when her son got married here this summer. But when Paul ‘got the boot’ – owners were not told the reason why.

Owner # 518; Owner has been here for 10 years; has heard a lot of things like Board of Directors meets upstairs.

Owner 385: owner states Lodge looks great. Owners should not be afraid to talk to the Board of Directors

Kathy Palmerton, Secretary - asked owners if they want to have a Labor Law attorney come and explain what the Board of Directors can and cannot reveal from executive session regarding personnel as the owners do not seem to want to take the Board of Directors word. (No response)

Owner 118 – new to ranch and has suggestions for the future. On the financial reporting, she does not understand reporting structures, suggests quarterly report on operating finances. Can we consider this? Dorothy Guajardo responded that we could probably get from our bookkeeper. Owner states she does appreciate Cowboy Jack; she spoke with R Sequoia who would like to do best practices with other R Ranches and would this Board consider talking with them. She does not understand number of shares and capacity and income stream; can we look into collection agency. Sequoia is using one collection person and is getting 68% success and would be willing to work on our collections. Weston, President at Sequoia would like to get together with other R Ranches to do Best Practices. Would like to see Camp Host/cowboy type to be marketing person for ranch. She sees a lot of opportunity for ranch.

Owner # 752: comment on vendor renewal – will be for one year as per bylaws. Housing agreements is only to bring us up to date with contracts.

MISCELLANEOUS ITEMS: Next meeting date will be January 19, 2013 at 12 Noon in the Lodge at the R Ranch.

ADJOURNMENT: Dorothy Quajardo, President made a motion to adjourn, seconded by Rita Nicolas. Vote: Five Ayes, No Nays, Motion Carried. Meeting adjourned at 2:14pm.

Directors excused for Executive Session.

Respectfully submitted,

Kathy Palmerton

Kathy Palmerton
Secretary

DECISIONS FROM EXECUTIVE MEETING 10-20-12:

OWNER 280: Pet Issue; Owner agreed to keep dog muzzled and on a 4ft leash; if any other incident regarding the dog is reported, the animal will be banned from the ranch.

Houdini Incident: Horse owner agreed to accept apology from owners involved. No action taken.

DECISIONS FROM EXECUTIVE MEETING 9-9-12

OWNER 1010: Argument between owner and staff person resulted in owner not accepting apology and staff person counseled on, in the future, to treat owners with respect and maintain professionalism. Both are to stay away from each other.

OWNER 1427: requested return of his covered boat space "deposit". Owner was advised this is a non-refundable fee, but due to his most unusual circumstance, he was offered a choice of reimbursement of on half of the fee and the boat comes out of open storage and he goes to the bottom of the covered storage list OR he retains the open storage spot now and no monies returned. Owner will let Board of Directors know of his decision.

OWNER 898: Owner not available at this date/time but wife appeared. Board of Directors stated owner and son must appear before Board before son is allowed back on the ranch.

OWNER 280: tabled. Owner not available at this date/time.

Board of Directors met with Owner 1701 who submitted resume for position of ranch manager. Owner ideas were heard. No decision made.