

DRAFT – PARTIALLY CORRECTED

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

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

Meeting called to order at 12:05 p.m. by President Steve Pietrobono.

Minutes.

January 19, 2008 regular meeting. Ken noted that the officer designations need to be corrected as he is no longer president, and the date should be corrected. The numbers voting in the web site poll will be added. Ken McArdle made a motion that the minutes be approved as corrected. Randy Apoian seconded. Minutes approved as corrected.

February 16, 2008 executive meeting. A correction was noted that the board approved allowing the store to have one day off during the week "in the summer." Randy noted that he abstained because the meeting was not called properly. Ken McArdle made a motion to approve the minutes as corrected. Mark Bendick seconded. Minutes approved as corrected.

March 15, 2008 executive meeting. Ken McArdle made a motion to approve the minutes as read. Mark Bendick seconded. Approved 3/2, Randy Apoian and Laura Bohler abstaining as they were not present.

September 15, 2007 regular meeting. Steve Pietrobono read proposed additions to the previously approved minutes. Randy requested a chance to review the DVD before approving the corrections. Steve said he preferred to get them approved and if Randy finds them different from the DVD he can bring revisions to the next meeting. Ken McArdle made a motion to approve the amended minutes. Mark Bendick seconded. Minutes approved as amended 3/2.

October 20, 2007 regular meeting. Steve Pietrobono read proposed additions to the previously approved minutes. Ken McArdle made a motion to approve the amended minutes. Mark Bendick seconded. Minutes approved as amended 3/2.

Treasurer's Report. Mark Bendick reported that the Operating Account balance is \$304,218.48, Reserves are \$338,306.81 for a total of \$642,525.29. Total accounts receivable is \$742,158.46, total assets \$1,384,683.75.

Mark Bendick explained the difference between an operating budget and forecasted budget. There will be a Town Hall meeting scheduled after the financial reports are issued. He said that due to pending legal matters the CPA needs more information before signing off on the reports.

Candace Shook provided information about the budgets and told owners that they can request information from her at the ROA.

Ranch Manager's Report. Paul Adams commented that we are going to be tight on the 2008 budget and he will do his best to come in under budget. He reported that they have repaired and painted the lanai, replaced the chains on swing sets, made repairs to the pool deck where it has been holding water, upgraded fire extinguishers, preparing the big screen for outdoor movies, and painted. They are getting the snack bar ready for the new contractors. Working on bathhouses to get them ready for summer. Bathhouse #7 has been reopened after a fire and vandalism in the last week. They are servicing the equipment and vehicles. An owner is replacing mirrors in bathhouse 8 and perhaps one other. This has been a bad year for stealing and vandalism. Replaced 50 picnic tables.

Stable Report. Ken McArdle reported that we have 48 ranch horses and 44 owner horses. The barns are off quarantine for Strangles. 45 new feeders were installed that were paid for by owners.

Equine Ad Hoc Report. Ron Clark, #675 reported that the last meeting was held April 12, 2008. New officers are: President, Ron Clark; Vice President, Eva McArdle; Secretary, Robin Snyder; Treasurer, Sharon, and the board representative is Ken McArdle. The third Saturday of each month will be volunteer day. Owners can volunteer to help with small repairs, painting, etc. All owners are welcome.

Safety Committee. Dawn Clark, #675 reported that a meeting has not been held yet. They are planning one for the summer. One of the committee's goals is the issue of reckless driving. If someone sees something dangerous, the committee asks that owners report incidents to the office. When first meeting is scheduled it will be noticed at the ROA and on the Yahoo Group.

Teen Committee. No report. We need volunteers for this committee.

Animals and Activities Committee. No report.

Boat Committee. No report.

Campground Committee. No report.

Cabin Committee. Ruth McCracken, owner #147 provided the report.

A meeting was held on February 16, 2008. Electric poles have been installed for cabins 18-23. Owners need to bring a 40-50 foot heavy duty outdoor extension cords to use the electricity in these cabins. The committee will discussing ideas at the next meeting to make the usage of electricity in these cabins safer, as owners sometimes bring inadequate extension cords. Paul Adams was invited to the meeting on May 24, 2008 to discuss options.

The committee asked the board if it had considered their suggestion to increase fines for dogs in the cabin area to \$100.

Ken McArdle made a motion to increase fines for having a dog in the cabin area to \$100 per offense. Steve Pietrobono seconded. Motion passed unanimously. The fines will be effective as of publication of the next newsletter, and the office will post signs.

The committee asked about brooms for the cabins. Paul Adams said he thought they were approved.

Old Business.

By-Laws Committee. Laura Bohler reported that we still need more owners to form this committee.

Code of Conduct and Code of Ethics for Board Members. Laura Bohler made a motion to approve the Codes. Randy Apoian seconded. Mark Bendick said he would like to either hire the outside attorney or have it reviewed by Paul Smoot. Motion failed 3/2.

Speed Signs. Radar signs cannot be rented locally. Laura Bohler will continue to explore options for rental, perhaps donation of used signs.

R-Ranch Web Site. Steve Pietrobono reported that since August 2007 an owner has been taking care of updating the ranch web site. Because this owner was handling the site for the ranch, the ROA had no access to it. The ranch now has control of the web site and Candace is updating it. Anything that needs to be posted should be sent to Candace. Steve Pietrobono made a motion to remove the link to the Yahoo group from the web site because it is not owned or operated by the ranch. Ken McArdle seconded. Motion unanimously approved.

Davis-Stirling. Mark Bendick suggested getting an opinion on this issue from the Attorney General. His estimate is that it would cost \$10,000 or more to comply fully with Davis-Stirling. He invited Charlie Ryan, President of the Board of Directors of R-Ranch at Hornbrook, to speak about Davis-Stirling.

Mr. Ryan indicated that Hornbrook operates under Davis-Stirling, which is in their By-Laws. In his opinion almost every change in the law each year requires legal interpretation. One of the drawbacks he noted is that if the board wants to change rules, such as increasing the fine for dogs in the cabin area, it would have to be on the published agenda before it could be acted on. He believes it is easier for the board to conduct ranch affairs without Davis-Stirling.

Steve Pietrobono commented that we need to find out what the owners need and want and find what works best for the ranch.

Recess called at 2:08 p.m. Reconvened at 2:26 p.m.

Horseman's Association Report. Valerie Figuero provided the report. A poker run is scheduled for May 17, 2008. The Horseman's Association will host their pancake breakfast fundraiser on Memorial Day Weekend. A meeting of the Horseman's

Association will be held at 4pm today. The Association e-mail list is being updated to provide information to interested owners.

New Business:

Snack Bar. The new contractor is Margie Blocker. The snack bar is scheduled to reopen May 1.

Group Activity. The board received a request from an employee to have his wedding at the ranch on June 28th, which is past the summer season group cut-off. Randy Apoian made a motion to allow the wedding to take place here on June 28. Ken McArdle seconded. Motion unanimously approved.

2008 Elections. Candidate statements are due June 15. The record date will be July 18, and the elections held on August 16.

Thefts on the Ranch. Steve Pietrobono reported that the ranch is working with the Sheriff's department. He advised owners to be protect their property, don't keep valuables here and possibly add additional locks. Owners should report incidents and suspicious behavior to the ROA.

Legal Issues. Steve Pietrobono reported that on March 5 the court ordered status quo operation of the Kiddin' Korral pending resolution of the lawsuit. Access to records for all directors was ordered. The attorneys are discussing computer access. The parties went to mediation on April 14 to try to resolve the issues, and it failed. There is a hearing on April 29 to try and dismiss the case.

According to the court order, additional animals in the Kiddin' Korral must be approved by the board and there is to be no breeding. There was no request by the Kiddin' Korral to add 5 baby goats.

Steve Pietrobono made a motion to have the Kiddin' Korral remove 5 goats by April 27. Ken McArdle seconded. The motion passed 3/2.

Recall. On February 23, 2008 owners submitted petitions for recall. A special meeting was held on April 5, at which only 59 owners were present, not enough for a quorum. The meeting was adjourned to May 3, 2008. Notices and ballots will be sent for the May 3 meeting.

Open Forum.

Owner #233 commented that the contract with the Kiddin' Korral allowed 120 days for the baby goats to stay on the ranch, the judge had the contract, and status quo should mean the babies stay 120 days.

Owner #1687 commented that status quo means the program should continue as is and the judge knew the goats were pregnant.

Owner #229 asked the board to put a stay on the decision about the goats until after the April 29th hearing and also suggested binding arbitration. She asked the board to compromise and noted the babies can be harmed. Steve Pietrobono noted that the board attempted mediation but there was no resolution.

Owner #1696 requested that the board ask the judge to clarify before evicting any animals. He asked why there were ballots for the second recall meeting but not the first. Steve Pietrobono noted that the initial interpretation was to send a notice only. Mark Bendick said the plaintiff's attorney said no notices can be sent for the May 3 meeting. The owner suggested that Corporations Code for quorum vote be followed at the next recall meeting. Steve Pietrobono and Mark Bendick noted they are following instructions of their attorney.

A child associate accompanied by owner #675 asked the board not to remove any of the baby goats because they are too young.

Owner #675 noted he is concerned about the interpretation of the order and suggested asking the judge to clarify before taking action.

Owner #147 and #1687 said the Kiddin' Korral is the best thing to happen on the ranch. It teaches kids responsibility, maturity and brings good things to the ranch.

Owner #1687 said that status quo means to leave things as they are. Removing baby goats is contradictory to the status quo.

Owner #437 suggested the last thing the board would want is upheaval. She noted that status quo at the time of the order could not have meant keeping the goats pregnant and this ruling creates more upheaval. She asked the board to allow the goats to stay 120 days, they will be gone in August.

Owner #892 said that when her family bought their share, Kiddin' Korral influenced their decision to buy. She doesn't understand the ruling, the goats are already scheduled to leave.

Owner #147 stated that the attorney did not ask to halt the recall meeting, he asked all directors to work on the notice. The owner attempted to review laws relating to the recall.

Mark Bendick made a motion to adjourn the meeting. The motion was seconded by Steve Pietrobono.

Meeting adjourned at 3:50 p.m.

Next board meeting scheduled for July 19, 2008 at 12:00 p.m.

Respectfully submitted,

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