

**R-RANCH AT THE LAKE  
MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
JULY 21, 2007**

Directors present: Ken McArdle, President  
Mark Bendick, 1<sup>st</sup> Vice President / Treasurer  
Steve Love, 2<sup>nd</sup> Vice President  
Randy Apoian

Directors not present: Nellie Cutright, Secretary – due to illness

Meeting called to order by Ken McArdle.

Mike Mooney led the Pledge of Allegiance.

Ken thanked the owners for attending the explanation of the financial report presented by Tony Delavati just prior to the board meeting. He expressed appreciation for Mr. Delavati's efforts and Candace Shook's assistance with the reports.

Ken explained that due to a ranch situation that must be dealt with today, he needs to keep the meeting as brief as possible. Owners were asked to hold questions and comments until the next to the last item of business, and the open forum

Candace Shook read the minutes as follows:

1. Board meeting of April 21, 2007. *Motion to accept made by Steve Love. Seconded by Ken. Unanimously approved.*
2. Executive meeting of May 26, 2007.
3. Executive meeting of June 9, 2007. Randy made a correction to the minutes, noting he was not present at that meeting as reported.

*Ken made a motion to approve both sets of executive session minutes as read and corrected. Mark seconded the motion. Unanimously approved.*

Treasurer's Report. Mark reported that cash accounts are healthy. Operating account as of 7/31 \$381,000. Reserve \$328,000. Total \$709,000. At the present time we are running under budget.

Mark reported that the Public Report will not be renewed this year with the DRE. All developer shares have been sold and resale shares do not require a public report.

Mark reported that the new owners of property adjacent to the ranch, Bill and Candice Howder, notified the ranch a few months ago that our owners could no longer ride horses over their property as has been done for many years. The Howders are now agreeable to allowing ranch owners to cross over using the easement we have been using. This will be in exchange for a token payment of \$1

per year by the ranch and an agreement that the Howells may use ranch amenities as guests. Mark read a draft agreement, a copy of which is attached to these minutes.

*Ken made a motion to accept the agreement as written. Randy seconded. Motion unanimously approved.*

Mark noted that the new owners have already given the ranch permission to begin using the trail pending finalization of the agreement, and it has been reopened.

Mark stated that the holding area is going to a re-vote for the purpose of making sure that Pridmore will keep their fees at the current level of \$300. Ken, Paul Adams and the Pridmores are working on the final details of their agreement. Ken commented that but a gentleman's agreement is in place pending execution of the written agreement, and Pridmore is no longer charging ranch owners any more than \$300 per year for storage.

#### Stables Report.

Jennifer was not present. Ken reported that he thinks we have 47 ranch horses and 32 owner horses. Jennifer is doing a very good job. The horses are in good condition, as well as the stables and all the equipment. The staff at the stables are to be congratulated, and they are appreciated for all they do.

Ranch Manager's Report. Paul Adams was not present and had not been able to get the information to Ken to report at the meeting.

Equine Ad Hoc. Ken McArdle reported that this committee has not had a meeting since the last board meeting. Nothing has been done as far as the owner horses, programs, or expenses to report.

Safety Committee. Vicki Love was not present. Candace Shook announced that there was an accident a couple weeks ago at the basketball courts. A young man was cut and the wound required stitches. The bolts have been covered with cushions and duct tape so no one else gets hurt. Apparently it had been that way for many years, but management was not aware of it. Ken commented that when owners notice these small things it is helpful to report them so they can be corrected.

Kiddin' Korral Committee / Teen Report. Presented by Dawn Clark, owner 675. The Korral is almost complete. Deck has been tabled until later for fundraising. Some painting and minor fence repair. Added since last meeting: milk barn, swamp cooler, animals. Now have two adult goats and four kids, two of which will leave the ranch 7/22. Also two ducks, two rabbits and two Chinese chickens. There are 29 children volunteering as junior staff, ages 9-14, and eight adult volunteer supervisors. 164 hold harmless agreements are on file. A DJ was hired for the Memorial Day dance, but due to an accident he was unable to make it. The dance for July 4 was better organized but poorly attended due to the music not fitting the teen's preferences. Working on a better list of DJs and improvements in execution of dances and teen activities. A ranch carnival is planned for today at 4pm on the big lawn.

Campground Committee. Presented by Mike Mooney, owner 235. Mike Mooney is the organizer of the new campground committee. The seven committee members are: Mike Mooney, John Scannell, Jeff Perrera, Wayne Palmerton, Denise Palmer,

Carl Dineen and John Sarducci. The committee plans to present a recommendation regarding the construction of 50 new trailer campsites. Ken confirmed at Mike's request that he asked Mike to take on reorganizing the campground committee, and that Mike agreed. The board requested a report of the officers positions from Mike.

Boat Committee. Presented by Albert Sanchez, owner 274. The next meeting is scheduled for October 20, 2007. Albert asked anyone interested in being on the committee to attend. They just had a lottery for the vacant covered spot and it is now occupied.

Cabin Committee. Presented by Ruth McCracken owner 147. The last committee meeting was June 30, 2007. Changes are already being noticed. There are tables next to the bathhouse sinks now to hold items while washing dishes, holes drilled in the picnic tables for umbrellas, stairs, screens, holes, repaired. The committee has developed cabin checklists for owner feedback. Owners will receive and turn these in at the end of their visit. A copy of the checklist is attached to these minutes.

Ken suggested one revision to checklist – change checkmarks to yes / no.

The committee is looking at a few upgrades and things that need funding, as attached. The committee is requesting board approval so Paul Adams can proceed. The next cabin committee meeting is scheduled for August 4, 2007. They will develop an estimate at that time of items requested for the 2008 budget. There is an open permit to allow development of more A cabins.

Ken wanted to talk to Paul Adams before approving the current work estimate and agreed to potentially approve these items at the next board meeting.

Ruth expressed the committee's thanks to the staff. The improving appearance of the cabins and bathhouses are due to the efforts of the staff.

Horseman's Association. Presented by Valerie Figuerdo, owner 912. They are receiving a lot of positive feedback from people. The first basic skills clinic was well received and the next is scheduled for July 28, 2007. Another evening dinner ride is scheduled for August 18. Paul Adams moved the Horseman's Association trailer under the big oak. The association is trying to clean that out and to make it a center of activities and fundraisers. The association joins with everyone expressing appreciation to Jenny and staff. They are very supportive and active volunteering to help with evening rides, etc. The Horseman's Association requests that the big arena refurbishment be put in the plan for the next few years and possibly plans to cover the arena. It would be very helpful if possible, cooler and more comfortable during the summer, and better riding ability in the winter.

Ken asked about the association BBQs. Valerie reported that the first BBQ was well attended, the second not as much. They hope for good attendance at next one. The next meeting will be July 28, 2007 at 3pm.

Holding Area Committee. Presented by Mike Mooney, owner 235. Pridmore has rolled back fees to \$300 from \$500. Ken will be working on the final details of the agreement with Pridmore that R-Ranch owners will pay \$300. In exchange for this consideration the ranch agreed not to develop a trailer holding area.

Old Business. None

## New Business.

1. Ken noted that there have been reports recently of abusive or threatening language used. Every owner has a right to come to the ranch and be able to enjoy the peace and quiet of this ranch and the activities. If there is an incident that happens that an owner feels needs to be addressed and you can't do it with the person individually, write a report and allow the manager or the board to help resolve it.
2. Status of Common Interest Development (CID) and Davis-Stirling. Ken read an e-mail from Mark to Chris Neri and Mr. Neri's response. A copy of the e-mail is attached to these minutes.

Ken suggested that the ownership should be asked what they want. The best way to resolve this is to have majority vote 50% plus one. Ken proposed to put a ballot together by the October board meeting.

A lengthy discussion was held on Davis-Stirling and the ranch's CID status.

*Ken made a motion to request asking the owners to vote if they want to come under Davis-Stirling and require 50% plus one to validate yes or no. Mark seconded the motion. Ken, Mark, Steve voted yes. Randy abstained. Randy wanted to know what the vote is – a yes to coming under Davis-Stirling or to vote out, no, on being under Davis-Stirling. If vote is for a yes to Davis-Stirling, then he votes no. Confirmed that this vote would be yes, to come under Davis-Stirling.*

*Motion passed 3-1.*

3. Ken stated that the Yahoo e-mail group is an unofficial site for owners, not an official ranch site. The ranch does not control it. Owners should be able to talk to each other and that's what it's for. When you say something in writing you create a record that may be taken out of context. It depends on what you say and it can come back to haunt you. If using e-mail, be careful, be considerate and be honest.

No correspondence to read.

## Open Forum.

Owner 687: Has a question and concern about an incident that occurred on the ranch.

Ken: It is clear that this is not something that happens every day. Things happen and try to deal with it. The ranch cannot deal with anything that we don't know about. If something happens and you're aware of it, step up and put it in writing. It happens infrequently right now.

Owner 1514: Donated new American flag to the ranch.

Owner 274: Understands the father lost his temper. He would have lost his temper too.

Randy: He wasn't on the ranch when this happened. Didn't know about it until he was told about it. The parents met and his son sent an e-mail of apology. Son admitted he made a mistake. The matter was resolved in that his son has been indefinitely suspended from the ranch.

Ken: He understands people getting upset. It's not Randy's fault. His son did this. He's an adult. He has been given the ultimate punishment that the ranch can provide. The ranch has done all that it can do. To belabor Randy on something his son did isn't fair.

Owner 673: Randy is not responsible for the actions of his son. Everyone needs to be mindful of how you treat the parents of the victim. And if you make a mistake, just apologize.

Owner 1359: Reported a problem his grandchildren had a couple weeks ago.

Ken: Appreciates kids are kids. Sometimes people do things they shouldn't. He can't do anything about it unless someone who sees it reports it in writing. If it happens at all, it happens too often. If owners are aware of something and don't report it, they are adding to the problem.

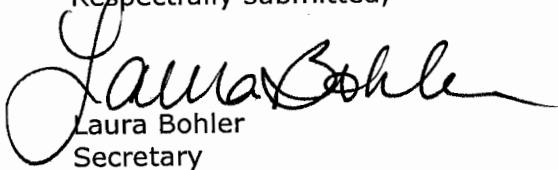
Owner number unknown: There seems to be a problem with drinking. Is there a possibility of banning alcohol on the ranch?

Ken: Appreciates her concerns. Doesn't think it is possible at this time.

Meeting adjourned by Ken McArdle.

The annual owners' meeting is August 18, 2007 at 10:00 a.m. The next regular board meeting is scheduled for October 20, 2007, noon.

Respectfully submitted,

  
Laura Bohler  
Secretary