

R-Ranch

Board of Director's Morning Meeting Minutes

April 28, 2013

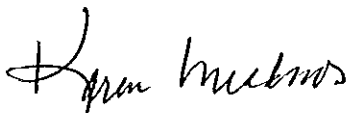
- I. **CALL TO ORDER- 9:30 A.M.- Alex Griffin, President**
- II. **Cecil Pacetti delivered the opening prayer.**
- III. **PLEDGE OF ALLEGIANCE**
- IV. **There were no changes to the agenda.**
- V. **Lisa Richards made the motion to suspend the reading of the March meeting minutes. Brenda Harned 2nd the motion.**
- VI. **After a spelling correction, Lisa Richards made the motion to accept the March minutes. Bryan Walker 2nd the motion.**
- VII. **Old Business**
 - a. **Brenda Harned made the motion to rescind the BOD Lease extensions that had been proposed and passed in the March meeting. Karen Meadows 2nd the motion. This was unanimously approved.**
- VIII. **New Business**
 - a. **Brenda Harned made a motion that the BOD add a standing committee, called the Human Resources Committee. Karen Meadows 2nd the motion. After much discussion the motion failed to carry.**
- IX. **MOTION TO ADJOURN GENERAL MEETING**

Brenda Harned made the motion to adjourn.
Lisa Richards 2nd Motion.

The meeting was adjourned at 9:20 a.m.

A brief Executive Session followed. No motions were made, nothing to report.

Respectfully submitted,



Karen Meadows, Secretary

Am.

SIGN IN SHEET

OWNER#

Monica Held	1094
GARNETT BANDY	0258
Larry Richards	0287
Iris Koplen	0544

R-RANCH OWNER'S ASSOCIATION

BI-ANNUAL MEETING

APRIL 28TH, 2013 1:00 p.m.

AGENDA

1. WELCOME-ALEX GRIFFIN
2. OPENING PRAYER-DOUG MOORE
3. ACCEPT/AMEND AGENDA-ALEX GRIFFIN
4. HONOR MILITARY/PUBLIC SERVICE-PLEDGE OF ALLEGIANCE-VETERANS ATTENDING
5. ANNOUNCEMENT-BRENDA HARNED
6. INTRODUCTION OF CURRENT BOARD MEMBERS-ALEX GRIFFIN
7. RECOGNIZE OUTGOING BOARD MEMBERS-KAREN MEADOWS
8. EXPLANATION OF ELECTION/VOTING PROCEDURES-ANITA CURRY
9. INTRODUCTION OF CANDIDATES-ANITA CURRY
10. INDIVIDUAL CANDIDATES SPEAK
11. ASK FOR NOMINATION FROM THE FLOOR-ANITA CURRY

ADJOURN FOR VOTING-ALEX GRIFFIN

*****RAFFLE*****

RECONVENE MEETING

12. INTRODUCTION OF R-RANCH STAFF-BRENDA HARNED
13. FINANCIAL REPORT-LISA RICHARDS
14. 2012-2013 ACCOMPLISHMENTS-STEVE CORBIN
15. CHAPEL HILL CABIN REHAB REPORT-ANITA CURRY
16. RODEO-MONICA HILL
17. MARKETING COMMITTEE REPORT-RICK UPTON
18. UPCOMING EVENTS-ALEX GRIFFIN
19. BRIEF Q&A-ALEX GRIFFIN
20. ANNOUNCE 2012-2013 NOMINATING COMMITTEE-ALEX GRIFFIN
21. ANNOUNCE ELECTION RESULTS-ANITA CURRY
22. ADJOURNMENT-ALEX GRIFFIN

R-Ranch in the Mountains Annual Meeting Minutes

April 28, 2013

Alex Griffin, President, welcomed all owners and thanked them for coming. He called the meeting to order at 1:10 pm.

The opening prayer was delivered by Doug Moore.

Alex Griffin, President, honored all military, veterans and public service employees in attendance. This was followed by the Pledge of Allegiance.

Brenda Harned made an announcement that the BOD rescinded the motion passed in March which froze BOD lease sites while serving on the board, and then restarted them after the board term was complete. After realizing the negative reaction of several owners she asked the BOD to reverse this. It was unanimously approved in the morning BOD meeting .

At this point Alex introduced the current Board members. Karen Meadows recognized the three outgoing members and thanked them for their service. She gave Brenda a special vote of thanks for stepping up to the plate so many times in Alex's absence. She then awarded each of them a certificate of appreciation.

Anita Curry, Nominating Chairman, explained the voting process and procedures for electing the three new board members. She then introduced the candidates. Each of the individual candidates were allowed to speak for three minutes giving a brief summation of who they were and why they would like to serve on the BOD. Following the candidates Anita asked for nominations from the floor. There were none. Brenda Harned made a motion to close the nominations. Karen Meadows 2nd. The nominations were closed and we recessed for the voting process.

During this time we held a raffle for door prizes.

The meeting was reconvened after a 15 minute recess. Brenda Harned introduced the R-Ranch staff.

Lisa Richards, Treasurer, presented the financial report. (attached)

Steve Corbin reported on the accomplishments completed from 2012-2013. (attached)

Anita Curry reported on the Chapel Hill Rehabilitation Program. To date there are 24 owners working with this group. 17 Chapel Hill cabins have been completed. Faye Goolrich and Mark Whitaker presented a slide show and explained the rehab process.

Monica Hill, Rodeo Chairman, announced the dates of this year's rodeo, June 21 & 22. She asked for volunteers. Last year the rodeo made over \$14,000 and these funds paid for many improvements on the ranch. Everything is in place for this year and they hope to surpass last years profit.

Rick Upton gave the Marketing Committee report. He told the Owners the committee had purchased 4 new directional signs, and they had been installed on Hwy 60, Yahoola Rd, Ridley Rd, and Stone Pile Gap Rd. He also explained the improvements to the front entrance and the rodeo arena area that had been made in conjunction with the rodeo profits.

Denise Roberson, our new Activities manager, then announced some of the upcoming events for both children and adults. These included a square dance on Memorial Day weekend, a petting zoo for kids, and many other events to come.

We then had a brief Q & A period. Jason Wallace #0095 asked when the lakes had last been stocked and with what kind of fish? He also asked for a bulletin board for owners to post on the internet. Charlotte Craine #0112 asked what could be done to stop the division of the ranch and the board? An incident was mentioned regarding an owner confrontation at the stable. Marian Morris #1592 commented a board member called the Sherriff. Yvonne Neubert #0080 suggested that owners who were running for the board needed to be on property more and support events. Barbara Brown #0568 said we need to complete RV6. She suggested all lease money go into the RV6 fund and should not be pulled from there. Dan Saks #0069 wanted to know the ranch's opinion on hosting a fall festival, open to the public, which would give exposure to potential new members. He also asked could we build an air conditioned structure on the hill for family members to watch the children at the stables. He also suggested a community garden area. Yvonne Neubert #0080 suggested we bring in the Budweiser Horses. They bring in their own security. They do serve beer, but she felt this event would generate a good profit.

Following the Q & A, Alex announced the 2013-2014 Nominating Committee, Brenda Harned, Chairman, Christy Griffin and Hal Barrineau.

Anita Curry announced the results of the election: Sandy Adams 52, Garnett Bandy 99, Karen Holtzclaw 17, Iris Koplen 57, Bill Poole 166, Mike Carbonara 100, Monica Hill 49, Rick Upton 142, and Larry Blaze 74. New BOD members: Bill Poole, Rick Upton, and Mike Carbonara.

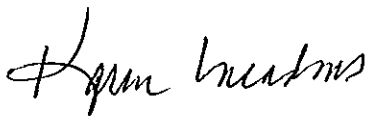
The amendment to the covenants, Section 1.10 (to reduce the ownerships from 2400 unit interests) to Unit Interest shall mean an undivided one-one thousand, six hundredth (1/1600) interest in the Ranch failed. The overwhelming majority of votes was in favor of this, but not enough people voted to pass it.

The amendment to 4.11 of the bylaws added (b) the officers of the Association shall not terminate the employment or materially reduce the compensation of the Executive Director of the ranch without advance discussion with the BOD and only following a majority vote of the BOD at a duly called meeting unless there is a determination by a majority of the officers of the association of the necessity to terminate the Executive Director for cause. *this was passed.*

The amendment to add Section 4.12 to Article IV of the bylaws passed. This reads: Indemnification of Directors. The Association shall indemnify its Directors from liability and/or expenses as a result of a legal claim files or asserted against any Director as a result of or in connection with such Director's service as a director of the Association, subject to such indemnified Director's compliance with O.C.G.A. & 14-3-851, 14-3-853 and 14-3-858. Such indemnification may include advancing funds to pay for or reimbursing expenses incurred in connection with such claim.

Lisa Richards made the motion to adjourn the meeting. Fawn Howell 2nd the motion. The meeting was adjourned at 4:10 pm.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Karen Meadows".

Karen Meadows

Secretary

R-Ranch In The Mountains Association
Operating Summary - Budget Comparison Report
For the Three Months Ending March 31, 2013

	Month Actual	Month Budget	Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Operating Income						
Assessments	\$ 719.18	\$ 0.00	719.18	\$ 607,566.88	\$ 615,500.00	(7,933.12)
Children's Rights	0.00	1,500.00	(1,500.00)	1,850.00	1,500.00	350.00
Electric Reimbursements	1,650.82	1,200.00	450.82	10,984.49	10,100.00	884.49
Interest Income	0.06	15.00	(14.94)	0.19	45.00	(44.81)
Fines & Fees	25.00	25.00	0.00	238.00	75.00	163.00
Late Fees & Finance Charges	10,661.04	0.00	10,661.04	16,755.99	4,500.00	12,255.99
Ownership Sales & Transfers	1,675.00	2,000.00	(325.00)	1,905.00	2,750.00	(845.00)
Reserve Funding Operating	1,860.36	742.50	1,117.86	4,152.59	1,822.50	2,330.09
RV Moves, Pet & Day Use F	365.00	225.00	140.00	755.00	580.00	175.00
Sales	1,077.79	1,065.00	12.79	2,534.04	2,515.00	19.04
Vending Income	60.00	50.00	10.00	132.48	150.00	(17.52)
Recovery of Bad Debt	134.40	0.00	134.40	403.20	0.00	403.20
Miscellaneous Income	6.73	50.00	(43.27)	34.00	150.00	(116.00)
Total Operating Income	<u>18,235.38</u>	<u>6,872.50</u>	<u>11,362.88</u>	<u>647,311.86</u>	<u>639,687.50</u>	<u>7,624.36</u>
Operating Expenses						
Employee Expenses	46,159.66	41,311.42	(4,848.24)	126,098.70	124,603.26	(1,495.44)
Administrative Expenses	10,702.95	7,913.00	(2,789.95)	20,565.35	17,429.00	(3,136.35)
Cabin Expenses	14.92	225.00	210.08	81.13	1,175.00	1,093.87
Cleaning Expenses	749.11	750.00	0.89	1,768.65	1,650.00	(118.65)
General Property Maintenance	16,689.77	15,640.00	(1,049.77)	35,296.49	35,270.00	(26.49)
Lodge Expenses	1,194.68	1,200.00	5.32	2,391.88	2,290.00	(101.88)
Owner Events	1,266.18	100.00	(1,166.18)	1,358.99	350.00	(1,008.99)
Ownership Sales & Transfers	188.50	363.00	174.50	494.28	484.00	(10.28)
RV Expenses	21.30	0.00	(21.30)	147.12	0.00	(147.12)
Sales & Marketing Expense	1,284.82	78.00	(1,206.82)	4,119.36	4,409.00	289.64
Sales Expense	1,506.12	525.00	(981.12)	2,296.87	2,045.00	(251.87)
Stables Expense	3,833.85	4,473.00	639.15	7,963.37	10,048.00	2,084.63
Utilities Expense	25,777.47	16,075.00	(9,702.47)	66,612.26	53,625.00	(12,987.26)
Rodeo Expense	505.00	500.00	(5.00)	505.00	1,500.00	995.00
Property Insurance Expense	3,700.00	3,700.00	0.00	9,278.25	11,100.00	1,821.75
Property Taxes Expense	7,500.00	7,500.00	0.00	22,500.00	22,500.00	0.00
Bad Debt Expense	128,717.24	127,500.00	(1,217.24)	133,081.28	127,500.00	(5,581.28)
Depreciation Expense	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Expense	0.00	25.00	25.00	0.00	75.00	75.00
Total Operating Expenses	<u>251,260.93</u>	<u>228,678.42</u>	<u>(22,582.51)</u>	<u>436,808.34</u>	<u>421,803.26</u>	<u>(15,005.08)</u>
Net Operating Income	<u>\$ (233,025.55)</u>	<u>\$ (221,805.92)</u>	<u>(11,219.63)</u>	<u>\$ 210,503.52</u>	<u>\$ 217,884.24</u>	<u>(7,380.72)</u>

R-Ranch In The Mountains
Reserves Variance Report
March 2013

MTD Actual **MTD Budget** **MTD Variance** **YTD Actual** **YTD Budget** **YTD Variance**

Reserve - Cabin Income

5,587	2,975	2,612	51,345	45,175	6,170
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The monthly favorable variance is due to guest and group fees and cottage fees being much more than anticipated. The year to date favorable variance is due to the aforementioned and higher than expected reservations in previous months and 2 additional cabin adoption fees than budgeted.

Reserve - RV Income

10,258	13,160	(2,902)	59,945	59,300	645
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The monthly unfavorable variance is due to a 5 year lease being budgeted in error however this offset by higher than expected monthly leases and guest and group fees.

Reserve - RV6 Income

9	0	9	24,071	6,000	18,071
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The year to date favorable variance is due to two unbudgeted adoptions and one that was budgeted in December, but not adopted until January.

Reserve - Lodge Income

12,643	5,188	7,455	79,824	96,463	(16,639)
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The monthly favorable variance is due to a several unbudgeted weddings being booked. The year to date unfavorable variance is due to the cancellation of several large weddings.

Reserve - Infrastructure Income

998	731	267	4,171	5,584	(1,413)
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The year to date unfavorable variance is due to contributions from other reserve accounts being less than anticipated.

Reserve - Cabin Expense

1,204	573	(631)	41,539	27,471	(14,069)
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The monthly unfavorable variance is due to contributions to operating and infrastructure being higher than expected due to more reservation income than anticipated. The year to date unfavorable variance is due to Rainbow Cabin and Owner Cottages renovations and gravel for parking area at Rainbow Cabins.

Reserve - RV Expense

1,954	2,533	580	44,708	35,027	(9,681)
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The monthly favorable variance is due to contributions to operating and infrastructure being less than anticipated due to several leases not being leased. The year to date unfavorable variance is due to the installation of handicapped access to bath house 3 and RV pad improvements.

R-Ranch In The Mountains Association
 Budget Comparison Report - Reserve Accounts
 For the Three Months Ending March 31, 2013

	Monthly Actual	Monthly Budget	Monthly Variance	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance
Cabin Reserve Income	\$ 2,571.62	\$ 1,650.00	921.62	\$ 7,482.22	\$ 3,050.00	4,432.22
Cabin Reserve Expenses	<u>2,146.91</u>	<u>1,839.00</u>	<u>(307.91)</u>	<u>25,010.71</u>	<u>23,533.75</u>	<u>(1,476.96)</u>
Net Cabin Reserve Income	424.71	(189.00)	613.71	(17,528.49)	(20,483.75)	2,955.26
RV Reserve Income	4,736.92	3,300.00	1,436.92	10,871.37	9,100.00	1,771.37
RV Reserve Expenses	<u>21,071.96</u>	<u>12,928.00</u>	<u>(8,143.96)</u>	<u>45,432.29</u>	<u>39,607.49</u>	<u>(5,824.80)</u>
Net RV Reserve Income	(16,335.04)	(9,628.00)	(6,707.04)	(34,560.92)	(30,507.49)	(4,053.43)
RV 6 Reserve Income	3.85	0.00	3.85	17.22	0.00	17.22
RV 6 Reserve Expenses	<u>0.79</u>	<u>0.00</u>	<u>(0.79)</u>	<u>14,337.22</u>	<u>19,120.98</u>	<u>4,783.76</u>
Net RV6 Reserve Income	3.06	0.00	3.06	(14,320.00)	(19,120.98)	4,800.98
Lodge Reserve Income	5,090.00	0.00	5,090.00	7,877.00	0.00	7,877.00
Lodge Reserve Expenses	<u>25,109.48</u>	<u>14,368.00</u>	<u>(10,741.48)</u>	<u>45,741.23</u>	<u>34,360.56</u>	<u>(11,380.67)</u>
Net Lodge Reserve Income	(20,019.48)	(14,368.00)	(5,651.48)	(37,864.23)	(34,360.56)	(3,503.67)
Stables Reserve Income	335.51	300.00	35.51	376.94	900.00	(523.06)
Stables Reserve Expenses	<u>16.79</u>	<u>17.85</u>	<u>1.06</u>	<u>6,355.03</u>	<u>6,529.78</u>	<u>174.75</u>
Net Stables Reserve Income	318.72	282.15	36.57	(5,978.09)	(5,629.78)	(348.31)
Infrastructure Reserve Income	31.82	14.85	16.97	187.33	29.70	157.63
Infrastructure Reserve Expen	<u>0.00</u>	<u>6,000.00</u>	<u>6,000.00</u>	<u>1,519.48</u>	<u>7,869.13</u>	<u>6,349.65</u>
Net Infrastructure Reserve In	31.82	(5,985.15)	6,016.97	(1,332.15)	(7,839.43)	6,507.28
Dam/Legal Reserve Income	148.50	52.50	96.00	384.44	130.50	253.94
Dam/Legal Reserve Expense	<u>600.00</u>	<u>0.00</u>	<u>(600.00)</u>	<u>600.00</u>	<u>0.00</u>	<u>(600.00)</u>
Net Dam/Legal Reserve Inco	(451.50)	52.50	(504.00)	(215.56)	130.50	(346.06)
Total Net Reserve Income	<u>\$ (36,027.71)</u>	<u>\$ (29,835.50)</u>	<u>(6,192.21)</u>	<u>\$ (111,799.44)</u>	<u>\$ (117,811.49)</u>	<u>6,012.05</u>

R-Ranch In The Mountains
Reserves Variance Report
March 2013

MTD Actual **MTD Budget** **MTD Variance** **YTD Actual** **YTD Budget** **YTD Variance**

Reserve - RV6 Expense

2	0	(2)	21,814	9,735	(12,079)
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The year to date unfavorable variance is due to increased contributions to fencing, operating and infrastructure based on the three unbudgeted 5-year adoption income.

Reserve - Lodge Expense

5,670	5,383	(287)	100,871	85,628	(15,243)
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The year do date variance is due to the purchase of the fans, a new salt cell generator for the pool and higher than expected catering.

Reserve - Stables Expense

667	45	(622)	7,661	7,632	(28)
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The monthly unfavorable variance is due to the purchase of a horse that was budgeted in a previous month. The year to date favorable variance is due to less horses purchased than budgeted.

Reserve - Infrastructure Expense

1,238	0	(1,238)	7,410	1,900	(5,509)
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The montly unfavorable variance is due to the repair of a sewer line to the treatment plant. The year to date unfavorable variance is due to the repair of sanitation lines and front entrance renovations.

R-Ranch In The Mountains Association
Balance Sheet
March 31, 2013

ASSETS

Current Assets		
Petty Cash	\$	200.00
Register Cash		300.00
Operating Bank Account		147,920.18
Lodge/Event Bank Account		26,469.18
Cabin Project Bank Account		44,276.03
Stable Project Bank Account		2,909.74
Property Tax Escrow Bank Acct		30,266.34
Payroll Bank Account		1,232.87
Rodeo Project Bank Account		7,368.26
Rainbow Dam/Legal Bank Account		274,553.52
Infrastructure MM Bank Account		5,882.74
RV Bank Account		50,693.72
RV-6 Project Bank Account		48,451.33
Stable Petty Cash		464.00
Accounts Receivable		663,427.66
Allowance for Doubtful Account		(127,000.00)
Prepaid Expenses		2,573.22
Total Current Assets		1,179,988.79
Property and Equipment		
Furniture & Fixtures		82,992.71
Vehicles		50,018.00
Machinery & Equipment		150,579.38
Horses & Sports Equipment		63,339.16
Buildings and Improvements		675,367.55
Fixed Assets - Cabin		57,370.36
Fixed Assets - Inf		9,041.26
Fixed Assets - Lodge		52,027.81
Fixed Assets - RV		105,307.49
Fixed Assets - RV6		30,902.56
Fixed Assets - Stable		6,642.34
Fixed Assets - Rodeo		5,920.50
Accumulated Depreciation		(626,225.99)
Total Property and Equipment		663,283.13
Other Assets		
Unsold Ranch Memberships		90,000.00
Dam Consulting in Progress		27,737.35
Total Other Assets		117,737.35
Total Assets	\$	<u>1,961,009.27</u>

LIABILITIES AND CAPITAL

Current Liabilities	
Accounts Payable	\$ 32,122.03
Refundable Deposits	1,500.00
Usage Fee Give Away	939.58
Sales Tax Payable	166.69
Accrued Property Tax	29,500.00
Accrued Property Insurance	7,400.00
Accrued Expenses	37,288.68
Prepaid Assessments	36,677.62

Unaudited - For Management Purposes Only

**R-Ranch In The Mountains
Reserves Variance Report
March 2013**

MTD Actual	MTD Budget	MTD Variance	YTD Actual	YTD Budget	YTD Variance
Reserve - Cabin Income					
2,572	1,650	922	7,482	3,050	4,432
The monthly and year to date favorable variances are due to cottage fees being much more than anticipated due to an unbudgeted group and 2 weddings.					
Reserve - RV Income					
4,737	3,300	1,437	10,871	9,100	1,771
The monthly and year to date favorable variances are due to a board site being bill and paid for a month early and unbudgeted monthly adoptions.					
Reserve - Lodge Income					
5,090	0	5,090	7,877	0	7,877
The monthly and year to date favorable variances are due to unbudgeted weddings.					
Reserve - Stable Income					
336	300	36	377	900	(523)
The year to date unfavorable variance is due fewer ride passes being sold.					
Reserve - Infrastructure Income					
998	731	267	4,171	5,584	(1,413)
The year to date unfavorable variance is due to contributions from other reserve accounts being less than anticipated.					
Reserve - Cabin Expense					
2,147	1,839	(308)	25,011	25,534	523
The year to date unfavorable variance is due to sliding glass doors, heaters and tree removal.					
Reserve - RV Expense					
21,072	12,928	(8,144)	45,432	39,607	(5,825)
The monthly and year to date unfavorable variance is due re-roofing bath house 3 in March instead of May when budgeted.					
Reserve - RV6 Expense					
1	0	(1)	14,337	19,121	4,784
The year to date favorable variance is due to lower contribution to the boom mower than budgeted.					
Reserve - Lodge Expense					
25,109	14,368	(10,741)	45,741	34,361	(11,381)
The monthly and year to date unfavorable variances are due to the repair entrance stone and sprinkler system.					
Reserve - Infrastructure Expense					
0	6,000	6,000	1,519	7,869	6,350
The monthly and year to date favorable variances are due to holding off on paving project.					

R-Ranch In The Mountains Association
Balance Sheet
March 31, 2013

Other Payables	2,500.00	
Total Current Liabilities		148,094.60
Long-Term Liabilities		
Total Long-Term Liabilities		0.00
Total Liabilities		148,094.60
Capital		
Lodge Retained Earning	86,755.33	
RV Retained Earnings	124,934.06	
RV 6 Retained Earnings	73,712.76	
Cabin Retained Earning	77,364.20	
Stable Retained Earnings	12,679.59	
Infrastructure Retained Earn	13,216.28	
Legal Retained Earnings	23,995.81	
Dam Retained Earnings	251,020.62	
Undesignated Net Assets	1,049,956.55	
Current Year Net Assets Change	99,279.47	
Total Capital		1,812,914.67
Total Liabilities & Capital	\$	1,961,009.27