

**R-Ranch in the Mountains**  
**Board of Director's Meeting Minutes**

Approved:  
Iris - 1st  
Roger JNO

**March 7, 2015 (February 21, 2015 makeup)**

- I. **CALL TO ORDER-** The meeting was called to order at 9:30A.M. by Bill Poole, President. Board members Anita Curry, Rick Upton, Mike Carbonara, Iris Koplen, Bryan Walker, and Roger Yonts were in attendance.
- II. **OPENING PRAYER-** delivered Bryan Walker
- III. **PLEDGE OF ALLEGIANCE-**
- IV. **REVIEW/APPROVE/AMEND/ACCEPT AGENDA –** Roger Yonts made a **motion** to accept the agenda as written; **seconded** by Iris Koplen; **vote** was unanimous in favor.
- V. **SUSPEND READING PREVIOUS MONTH'S MEETING MINUTES –** Iris Koplen made a **motion** to suspend reading the January meeting minutes; **seconded** by Roger Yonts; **vote** was unanimous in favor.
- VI. **APPROVE/AMEND/ACCEPT PREVIOUS MONTH'S MEETING MINUTES –** Iris Koplen made a **motion** to accept the January meeting minutes as written; **seconded** by Roger Yonts; **vote** was unanimous in favor.
- VII. **Rainbow Dam Report-** Charles Absher/H & H Resources- Charles is the Engineer of Record for the current issues with Rainbow Dam. Also, Hal Barrineau was called to join the meeting via telephone. Currently the dam is leaking water around the drain pipe and Charles is in the process of assessing the integrity of the dam in order to understand what steps to take to prevent endangering properties downstream. Hal said that the previous concern was water overflow during heavy rainfall. Also, one of Charles' goals is to bring the dam up to the Category 1 standards that it was classed as several years ago because there is a potential for loss of life should the dam fail. There is also a Category 2 dam in which there is no potential for loss of life should the dam fail. However, since there is that potential with the Ranch's dam, we are currently classified as a Category 1. Charles listed several steps that we should take in order to be in compliance with the Category 1 standards:  
First, take an analysis of the static structure  
Normally a visual inspection is needed however, we have had that and it is still valid  
We need to obtain a permit to operate the dam  
We should develop an emergency action plan should the dam fail  
We should develop and operations and maintenance plan  
We need a breach flood analysis

Charles went on to say that it is important to know that the current leaking hole is not sufficient enough to have to call Safe Dams. Charles presented the Board with an agreement (Task Order No. 2) (copy attached) in which he can complete the analysis of the static stability of the dam. The Board reviewed the agreement and Bill Poole made a **motion** to accept Task Order No. 2 from H & H Resources; **seconded** by Roger Yonts; **vote** was unanimous in favor. Charles said that he would get the analysis scheduled quickly and hopes to have a report during the next Board meeting.

#### VIII. REPORTS

- a. Financial Report- Judy Crofts- Financial Reports attached. Judy said that there were 823 active owners as of March 6. Bill reviewed the last few years' active owners and found that we have gone from 913 in 1/2012 to the current 823. Judy went on to review the financial reports and emphasized that all the bills had been paid without withdrawing from any Reserve Accounts.
- b. Executive Director's Report- Michael Hoffer- Michael reviewed his written report (attached). There were several things that he did emphasize...as the 2015 Rodeo chairperson, he said he needed a lot of volunteers to oversee several areas and recruit volunteers to work within those areas. He and Steve both stressed the concerns with the Dodge truck. They pointed out how unsafe it is to drive as well as how much it is costing to operate. The Board directed Michael to try to find another used truck and let them know his findings.
- c. R-Ranch Grounds Report - Steve Corbin, Maintenance Manager – Steve said that the winter storms had caused quite some pipes to burst and the roads at Rainbow Lake cabins had been badly washed. He said that the staff had worked hard to get all the plumbing repairs done and the cabin roads needed gravel.
- d. Stables Report - Josh Littlejohn – Josh reviewed his written report (attached). Josh also told the Board that an R Ranch Saddle Club had been formed to promote some events and activities at the Ranch.

- e. Sales Report Sandy Stephenson – Sandy reviewed her written report (attached). There was also discussion about Sandy getting out in the community to promote the Ranch and possibly having a local owner reception.
- f. Events Report – Denise Roberson – Denise reviewed several upcoming workshops scheduled at the Ranch. (Those flyers are attached). She also said that the Dog Park is scheduled to open on April 26 and there are several events planned for the opening (flyer attached).
- g. Treasurer’s Report-Rick Upton-Rick reported that we are at 91% of the budgeted income due to the shortfall of active owners. He said that we need to focus on new owners and reminded everyone of the \$50 incentive payable to current owners who bring in new owner sales. Roger Yonts made a **motion** to increase the owner incentive from \$50 to \$100 to be split between each 6 month assessment; **seconded** by Mike Carbonara; **vote** was unanimous in favor.
- h. President’s Report-Bill Poole- Bill said that the Ranch is doing great but agreed that we need more new owners. He announced that the new Strategic Planning meeting is today at 1:00pm. He also was very encouraged that we had not needed to access the reserve accounts as compared to last year’s \$150,000 deficit of the reserves.

### **Standing Committee Reports**

1. Accommodations Committee- Co-Chairman- Valorie Lottes, Board Liaison- Fawn Howell- Valorie handed the Board members a report of the upcoming April 4 lottery (attached). She reviewed the report and said that there would be a training session on Friday night prior to the Saturday morning lottery. She also said that the Committee had decided to create an “Off Ranch and Uncorked” group to go into the surrounding communities’ wineries and promote the Ranch while enjoying wine tastings.
2. Covenants/Bylaws/Policy & Guidelines Committee-Chairman-Brenda Harned, Board Liaison-Bill Poole- no report
3. Finance Committee - Chairman- Sue Burton, Board Liaison- Rick Upton- no report
4. Land Use Committee- Chairman- Hal Barrineau, Board Liaison-Bryan Walker- no report

5. Marketing Committee- Co-chairs-Barbara Poole, Beverly Upton, Board Liaison-Iris Koplen-Barbara Poole said that the Committee was very concerned about new owners feeling welcome and informed. They also are concerned about retaining owners so that there is not such a high number of those wanting to transfer their ownership. She said that the Committee would like to have a reception periodically for new owners.
6. Owner's Concerns Committee- Chairman-Brenda Harned- no concerns
7. Nominating Committee – Chairman – Christy Griffin –Bill Poole reported for Christy. He said that the ballots and candidate bios are about to be mailed out to the ownership. Cost is \$1.17 per letter to mail.
8. Strategic Planning Committee-Roger Yonts- Roger said that the meeting that was scheduled for February was cancelled due to the snow and would be conducted today at 1:00pm. He said that everyone was invited and encouraged to attend and hoped that a mission statement could be established.

**IX. Old Business**

none

**X. New Business**

- a. Lease Agreement Rules/Habitual Rule Violations (enforcement & consequences)-Iris Koplen-Iris said that she had observed quite a few violations in the requirements of RV lease agreements. She asked those present to spread the word about the importance of complying with those rules mainly for the appearance of the area as well as for our landscaping company being able to cut the grassy areas. Also, she said that she has recently observed some owners habitually violating dog leash and excrement rules and horse pasture rules. She asked that there be a procedure established to enforce those rules and impose consequences on those who are violate the rules.
- b. Targeted Mailings-Mike Carbonara- Mike said that he had a proposal of mailing some Ranch information out to particular targeted groups of potential owners but would postpone reporting on that until a future date.
- c. Saddle Club Formation-Sandy Stevenson-Sandy reported that a Saddle Club had been formed at the Ranch. She gave everyone a printed information sheet regarding the mission of the Club as well as some activities planned and how to be a member (attached).

**XI. MOTION TO ADJOURN GENERAL MEETING**-the meeting was adjourned at 12:15pm.

**XII. Announce Date, Time and Location of next general meeting-Bill Poole**

The next meeting of the R-Ranch Board of Directors will be held on March 28, 2015 at 9:00 A.M. in the R-Ranch board room. The meeting time is being changed for this meeting so that the 2<sup>nd</sup> meeting of Strategic Planning can take place.

Respectfully submitted,

Anita Curry, Secretary

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Date Approved



Michael Hoffer  
Executive Director – R-Ranch in the Mountains  
65 R-Ranch Road  
Dahlonega, GA 30533

March 28, 2015

Re: Draft Report – R-Ranch Dam, Safe Dams Compliance

Dear Mr. Hoffer:

The purpose of this letter is to provide a task list and engineering services cost estimate required to bring the R-Ranch Dam (Dam) into compliance with Safe Dams Category I standards. The Dam is classified by the Georgia Safe Dams Program (SDP), a branch of the Environmental Protection Division (EPD) of the Georgia Department of Natural Resources (DNR), as a Category I structure. A Category I structure is one in which failure of the dam would cause a probable loss of human life situation downstream because of habitable structures within the downstream breach flood inundation zone. The Dam was reclassified from a Category II to a Category I structure in September of 2003. A Category II structure is one in which failure of the dam would not cause a probable loss of human life situation downstream. Since the reclassification, the Dam has not been in compliance with SDP standards for a Category I structure.

The primary component of non-compliance is that R-Ranch does not have a permit from the SDP to operate and maintain a Category I structure. A permit issued by the SDP would essentially certify and document that the Dam meets SDP standards and is being operated and maintained in a safe manner in accordance with Georgia state law. The tasks outlined in this letter are those necessary to prepare and submit a permit application to the SDP, and as a result, bring the Dam into compliance with Category I standards.

A permit application to the SDP would normally consist of three items: 1) a Visual Inspection Report (VIR) that documents compliance with Category I engineering standards, 2) an Emergency Action Plan (EAP) that documents and guides actions to be taken in the event of a structure emergency, and 3) an Operations and Maintenance (O&M) Plan that documents and guides normal operation and maintenance of the Category I structure. A VIR was prepared by the SDP in January of 2005 that documented non-compliance with Category I engineering standards, specifically:

- “The Dam is not capable of safely passing the design storm without overtopping.” For a dam this size, the design storm is the ¼ Probable Maximum Precipitation (PMP). The full PMP for this area of Georgia is approximately 30.1” of rainfall in a 6 hour period. One quarter of that would be approximately 7.5” in a 6 hour period.
- “The Dam does not have adequate freeboard for wave-action and run-up above the maximum reservoir surface elevation resulting from the design storm.”

Essentially, adequate freeboard would mean the Dam would not overtop during the design storm.

- “There is excessive seepage on the downstream slope and in both spillways.” The seepage has resulted in some loss of material adjacent to the primary spillway outlet headwall. This is now being monitored by R-Ranch personnel. All dams have seepage. The key is to control the location where it exits into the downstream area, preferably downstream of the toe of the embankment. A preliminary geotechnical investigation is near completion to determine if the current seepage is indicative of a more serious condition in the embankment.
- “There is seepage in the concrete principal spillway pipe and an excessive amount of water leaking into the pipe near the outlet end. The structural integrity of the pipe needs to be investigated and addressed.” Previous to the VIR in August of 2004 the SDP had conducted a video inspection of the principal spillway pipe documenting locations where water was seeping into the pipe from the surrounding embankment.

Since the VIR has already been performed and has documented non-compliance, R-Ranch is required to submit in their permit application an engineering analysis and construction plans that brings the Dam into compliance. This, along with the EAP and the O&M Plan, would comprise a complete permit application. The SDP would review and approve the permit application components and then issue a permit contingent on the upgrades and repairs being performed within a reasonable period of time. This time frame would be documented in the draft permit.

There are several alternatives in which the Dam spillway capacity would be brought into compliance. The following table summarizes these along with a brief comment on the pros and cons of each.

ALTERNATIVE	PRO	CON
Increase capacity of current normal spillway	Reasonable construction cost	May not be able to sustain reasonable normal pool
Install siphon spillway	Probable lowest cost	Limited spillway capacity, probable unreasonable normal pool reduction
Raise dam height	Maintain current normal pool, would correct any geotechnical issues	Larger SDP design storm, would add to spillway capacity needs and cost
Install labyrinth spillway (similar to Lake Zwerner Dam but smaller)	Greatest amount of spillway capacity in a small area	May be cost-prohibitive
Roller-compacted concrete dam overlay	Maintain current normal pool, would correct any geotechnical issues	Probable highest cost alternative

The following tasks and associated cost estimates are necessary to submit a complete permit application to the SDP. Additional tasks are included for assisting with construction related activities after the permit is issued. Included also are the initial task orders already authorized.

- **Task Order 1** – This has already been authorized in order to assimilate and summarize potential actions and costs as found in this report. The cost for this task is \$6,000.
- **Task Order 2** – This is a preliminary geo-technical static structural stability analysis of the Dam and has already been authorized. This analysis will help to determine whether the excessive seepage on the downstream slope of the Dam is indicative of a more serious condition that needs to be addressed. The results of this analysis are not yet available. The cost for this task is \$7,500.
- **Field Survey** – A current field survey of the Dam and adjacent area is necessary as a foundation for design analysis and construction plans. The survey would include a topographic survey of the Dam and adjacent area, elevations of the existing infrastructure, and a boundary survey to pin-point the location of the R-Ranch property boundary downstream of the Dam. Discussions are currently being held with Land Development Professionals, a survey firm located in Dahlonega, to determine the scope specifics of this effort. It is anticipated that Land Development Professionals would contract directly with R-Ranch for this task. A cost is not yet available for this task.
- **Breach Flood Zone Delineation** – A component of an EAP is a mapping of the downstream breach flood zone; the area that would be inundated downstream if the Dam failed, and the structures that would be at risk. This is how the SDP determined that a reclassification was necessary for the Dam. The dam breach model they developed indicated the first at-risk structure was located at 20 Gibson Drive, just off of Walnut Valley Drive, approximately 1.3 miles downstream of the Dam. Although there are structures immediately downstream of the one identified by the SDP that might also be at risk, only the first identified structure is needed to initiate a reclassification. The SDP used coarse USGS contour topography to model the breach flood wave. It would be prudent, since this is a task required for the EAP, for the R-Ranch to complete a more detailed breach flood study based on more detailed contour topography. The more detailed contour topography is available from the Lumpkin County Geographic Information Systems (GIS) department. However, it could cost more than \$10,000 to obtain based on the fee structure found on the GIS website. We are currently in discussions with Lumpkin County on whether the necessary topography can be obtained at no charge in exchange for the modeling and mapping downstream of the Dam. The modeling and mapping enhances Lumpkin County's understanding of the public safety issues downstream of the Dam and would be useful to both law enforcement and emergency management departments. The cost for this task, not including topography purchase, would be \$8,000.

- **Hydrologic/Hydraulic Analysis** – This analysis will determine the engineering design parameters necessary so that the normal and emergency spillway operation will meet the SDP standards for safely passing the ¼ PMP, the Design Storm. Our preference at this time is to develop a configuration that will replace the existing normal spillway pipe with a larger size, and repair the emergency spillway in its existing configuration and location. Our goal would be to increase the spillway capacity with a minimal adjustment in normal pool elevation. The current corrugated metal pipe (CMP) drop inlet would also be replaced with a concrete riser structure. Additional configurations would be modeled, as found in the previous table, if our initial preferences cannot be reasonably accommodated within the spatial logistics of the Dam. The cost of this task would be \$11,500.
- **Design Plans** – This task will produce the civil and hydrologic/hydraulic design plans required to bring the Dam into compliance with Category I standards. These plans would include designs of the normal spillway, the emergency spillway, the drop structure, and toe drains for controlling seepage flow. Quantity estimates and opinion of probable construction cost would be included. The cost of this task would be \$27,000.
- **Geo-Technical Analysis and Design** – There is a preliminary static stability analysis being conducted that is not yet complete. This analysis is predicated on determining whether the excessive seepage on the downstream slope of the Dam is indicative of a more serious condition that would need to be addressed. It is unknown at this time whether additional work would be needed as part of geo-technical design plan effort that would bring the Dam into compliance with Category I standards. A cost is not yet available for this task.
- **Environmental Permitting** – Any project dealing with land disturbance and impacting waters of the United States has some local, state, and federal permitting requirements. We are in the process of determining what these might be and how they would impact the completion of the project. The initial phase would be for a delineation of waters of the United States, definition of stream buffer requirements, and an assessment of potential environmental permitting issues. A later phase would develop and submit environmental permit and variance applications. A cost is not yet available for this task.
- **EAP/O&M Plan** – The permit submittal to the SDP would include an EAP and an O&M Plan for the Dam. The cost for producing both of these documents, not including the cost of the breach flood zone delineation described previously, would be \$12,000.
- **Permit Submittal, Safe Dams Coordination, Project Management** – An omnibus task is included primarily consisting of project management efforts and including permit submittal to the SDP, and coordination with SDP on review status and other issues as they arise. The cost of this task would be \$15,000.

- **Bidding Documents/Assistance** – Bidding documents would be prepared for facilitating the solicitation and evaluation of bids. Bidding assistance in evaluating and selecting a contractor would be provided. The cost for this task would be \$6,500.
- **Construction Administration/Certification** – After the permit is received from the SDP, additional tasks would be required consisting primarily of construction administration, and certification that the Dam has been re-constructed in accordance with the SDP approved design plans. HHR would work with R-Ranch to minimize these costs without jeopardizing our ability to appropriately certify the final construction in accordance with State law. It is impossible to correctly define these costs without a clear understanding of the final permitted design and the time frame over which it could reasonably be completed. It is hoped that R-Ranch personnel could perform selected tasks during construction that would help to minimize the overall cost.

A summary of tasks and estimated engineering costs is as follows:

TASK	ESTIMATED COST
Task Order 1	\$6,000
Task Order 2	\$7,500
Field Survey (Direct Contract with R-Ranch)	TBD
Breach Flood Zone Delineation (Not Including Topography)	\$8,000
Hydrologic/Hydraulic Analysis	\$11,500
Design Plans	\$27,000
Geo-Technical Analysis and Design	TBD
Environmental Permitting	TBD
EAP/O&M Plan	\$12,000
Permit Submittal, SDP Coordination, Project Management	\$15,000
Bidding Documents/Assistance	\$6,500
Construction Administration/Certification	TBD
<b>TOTAL not including TBD</b>	<b>\$93,500</b>

HHR would perform all work on a time and expense basis in accordance with our Professional Services Agreement dated 2/6/15.

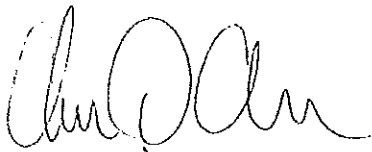
It should be noted that another alternative is available for consideration and that is to breach and remove the Dam. Although we are unable at this time to estimate construction costs for the alternatives described previously in the report for bringing the Dam into SDP compliance, it is highly probable that breaching the Dam is the least costly alternative. A set of breach plans would have to be submitted to Safe Dams for review and approval. The tasks and costs described above would all be precluded except for the field survey. The selection of this

March 28, 2015

alternative would have to be balanced against the impact the loss of the Dam and lake would have on the R-Ranch.

We trust this report is of value to R-Ranch in determining a course of action. We are ready to work with you to bring the R-Ranch Dam into compliance with Category I standards, if so desired, and assisting with obtaining an SDP permit for the operation and maintenance of the Dam.

Sincerely,

A handwritten signature in cursive script, appearing to read 'C. D. Absher', written in black ink.

Charles D. Absher, P.E.  
Senior Water Resources Engineer  
H & H Resources, Inc.

**Executive Directors Report**  
February Board of Directors Meeting  
March 7, 2015

- **Staff:** We have one new part time employee, Jessica Roberts; one on probation; two former who filed for unemployment and were denied; and one former who has filed for Workman's Comp.
- **P&C Insurance:** Working with our reps at BB&T we've just complete renewal of all of our property, equipment, officers & directors, and personnel coverage.
- **Medical Insurance:** The current staff benefit policy expires in May; Starmark has sent us a request to update our staffing numbers in order to seek pricing for the next year.
- **Weather:** The ranch lost power for 24 hours on Feb. 16<sup>th</sup> and had we three staff "Snow Days" with schools closed, roads impassable and several employees without power for 4 to 5 days. Several employees went out of their way in support.
- **Golf Cart Inspections:** We sent notices out reminding owners to update their insurance and ranch cart licenses in April. My cart, photo attached, was inspected and approved.
- **EVP Processing:** It appears we will have to purchase new card processing devices before year end to accommodate the new "chip cards".
- **Reservation System:** I've schedule a demo for various staff members on the new DigitalRez reservation system on March 11. Our current software with them is no longer supported.
- **Rainbow Lake Cabins:** The Accommodations Committee completed a very valuable inspection of many of the cabins. Mgt., Maintenance and Housekeeping are all working on their "punch list items" as best we can, within budgets.
- **Rainbow Lake Dam:** The dam is visually lower that I would like for it to be heading into the Spring & Summer seasons. We'll try to get it up a couple of more feet.
- **FireWise Community:** I applied for a new grant of \$4,441 and received a grant of \$1,500 for staff training on forest fire prevention. Jared Brode is scheduled to attend a 40 hour forest firefighter class with the Forest Service, commencing March 23.
- **Mountain Top Rodeo:** I've signed the RAM Rodeo agreement, confirmed the bleacher order, and started lining up volunteers.
- **Booth Museum Partnership:** Working with the Marketing Committee we have a new joint marketing agreement with - [www.boothmuseum.org](http://www.boothmuseum.org)
- **Dog Park:** Maintenance just re-seeded and fertilized. We hope for good grass in time for the grand opening on April opening.
- **Nominating Committee:** Staff prepped and sent to our CPA, the nominee bios, ballot forms, return envelopes, etc.
- **Dodge Truck:** Security, Housekeeping and Maintenance have all expressed concern with the safety and efficiency of the old truck. We desperately need to replace it. Estimated cost for a new vehicle is \$4-5,000.
- **RV Storage:** I completed an audit of the units in place and their ownership and am trying to come up with better methods of control.

***This completes my report.***



PEACHTREE CUSTOMER ACCOUNT STATUS/ UNIT STATUS

Active	911	913	927	948	796	850	925	943	921	943	783	809	880	888	916
Suspended	145	108	89	73	225	169	106	85	106	85	248	224	153	135	104
Master Credit	25	33	42	53	52	52	52	59	58	58	57	57	56	56	27
Howe	0	0	0	1	1	1	1	1	1	1	1	1	36	21	21
R-Ranch/Invent	561	561	564	562	566	557	562	557	569	567	673	674	680	731	952
BD W/O	134	165	155	140	137	148	147	147	136	145	145	145	143	132	155
Hardship														15	20
Bankruptcy	4	0	3	3	3	3	4	5	6	5	6	6	5	4	6
Closed													176	248	161
To be Researched	620	620	620	620	620	620	603	603	603	596	487	484	271	170	35
Problem children															3
TOTAL UNITS	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400
Status as of:	12/19/11	1/19/12	2/16/12	3/16/12	4/27/12	5/18/12	6/15/12	7/20/12	8/17/12	9/14/12	10/27/12	11/16/12	12/15/12	2/15/13	3/15/12

PEACHTREE CUSTOMER ACCOUNT STATUS/ UNIT STATUS

Active	799	810	860	888	888	924	802	826	846	897	882	906	813	847	885
Suspended	216	206	157	133	134	103	229	198	162	118	132	108	197	168	125
Litigation					8	8	8	16	18	21	21	21	26	26	32
Master Credit	27	27	27	27	4	4	4	4	4	4	4	4	0	0	0
Howe	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21
R-Ranch/Invent	968	973	978	977	980	182	182	184	200	193	190	193	204	197	201
BD W/O	148	147	146	144	158	153	149	144	141	139	140	140	137	136	132
Hardship	17	14	10	9	6	4	4	6	7	6	9	6	1	4	5
Bankruptcy	7	7	7	7	7	7	7	7	7	6	6	6	6	6	7
Closed	170	170	169	169	169	169	169	169	169	170	170	170	170	170	170
Research/Problem	27	25	25	25	25	25	25	25	25	25	25	25	25	25	22
TOTAL UNITS	2400	2400	2400	2400	2400	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600
Status as of:	4/26/13	5/17/13	6/14/13	7/19/13	8/16/13	9/20/13	10/25/13	11/15/13	12/16/13	1/17/14	2/14/14	3/14/14	4/25/14	5/16/14	6/12/14

PEACHTREE CUSTOMER ACCOUNT STATUS/ UNIT STATUS

Active	901		890	695	718	804	826								
Suspended	113		124	313	292	195	174								
Litigation	32	no	32	39	39	45	45								
Howe	21	report	21	21	21	20	20								
R-Ranch/Invent	194	due	195	197	197	207	206								
BD W/O	132	to	129	123	122	118	117								
Hardship	4	employee	6	8	7	7	8								
Bankruptcy	8	illness	8	9	9	9	9								
Closed	170		170	170	170	170	170								
Research/Problem	25		25	25	25	25	25								
TOTAL UNITS	1600		1600	1600	1600	1600	1600								
Status as of:	7/18/14		9/19/14	10/24/14	11/14/14	12/19/14	1/16/15								

R-Ranch In The Mountains® - Cash  
Balance Sheet  
January 31, 2015

ASSETS

Current Assets		
Petty Cash	\$	200.00
Register Cash		300.00
Operating Bank Account		57,559.12
Lodge/Event Bank Account		6,677.11
Cabin Project Bank Account		22,020.54
Stable Project Bank Account		6,058.14
Property Tax Escrow Bank Acct		8,525.42
Payroll Bank Account		40,569.78
Rodeo Project Bank Account		38,199.72
Rainbow Dam/Legal Bank Account		272,842.48
Infrastructure MM Bank Account		6,583.18
RV Bank Account		31,494.85
RV-6 Project Bank Account		11,696.43
Stable Petty Cash		7.18
Accounts Receivable		816,042.69
Other Receivables		1,847.50
Chapel Hill Improvement Group		2,105.34
		<hr/>
Total Current Assets		1,322,729.48
Property and Equipment		
Furniture & Fixtures		85,393.64
Vehicles		53,018.00
Machinery & Equipment		218,179.38
Horses & Sports Equipment		66,305.58
Buildings and Improvements		772,398.06
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		(797,505.14)
		<hr/>
Total Property and Equipment		665,001.84
Other Assets		
Unsold Ranch Memberships		224,051.00
Dam Consulting in Progress		27,737.35
		<hr/>
Total Other Assets		251,788.35
		<hr/>
Total Assets	\$	<u>2,239,519.67</u>

LIABILITIES AND CAPITAL

Current Liabilities		
Sales Tax Payable	\$	98.97
Accrued Property Tax		8,524.63
Prepaid Assessments		33,511.29
Rodeo Pre Paid Vendor Fee		100.00
		<hr/>
Total Current Liabilities		42,234.89
Long-Term Liabilities		

Unaudited - For Management Purposes Only

R-Ranch In The Mountains® - Cash  
Balance Sheet  
January 31, 2015

Total Long-Term Liabilities		<u>0.00</u>
Total Liabilities		42,234.89
Capital		
Lodge Retained Earning	114,029.32	
RV Retained Earnings	176,067.78	
RV 6 Retained Earnings	93,672.97	
Cabin Retained Earning	117,338.80	
Stable Retained Earnings	16,177.37	
Infrastructure Retained Earn	16,415.49	
Legal Retained Earnings	23,995.81	
Dam Retained Earnings	250,289.62	
Undesignated Net Assets	19,013.17	
Undesignated Net Assets	1,498,899.11	
Current Year Net Assets Change	<u>(128,498.95)</u>	
Total Capital		<u>2,197,400.49</u>
Total Liabilities & Capital		<u>\$ 2,239,635.38</u>

R-Ranch In The Mountains® - Cash  
 Operating Summary - Budget Comparison Report  
 For the One Month Ending January 31, 2015

	Month Actual	Month Budget	Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
<b>Operating Income</b>						
Assessments	\$ 700.00	\$ 18,286.23	(17,586.23)	\$ 700.00	\$ 18,286.23	(17,586.23)
Children's Rights	0.00	0.00	0.00	0.00	0.00	0.00
Electric Reimbursements	838.38	8,785.00	(7,946.62)	838.38	8,785.00	(7,946.62)
Interest Income	0.84	0.00	0.84	0.84	0.00	0.84
Fines & Fees	25.00	35.00	(10.00)	25.00	35.00	(10.00)
Late Fees & Finance Charges	29.43	0.00	29.43	29.43	0.00	29.43
Ownership Sales & Transfers	686.00	100.00	586.00	686.00	100.00	586.00
Reserve Funding Operating	1,759.95	2,072.40	(312.45)	1,759.95	2,072.40	(312.45)
RV Moves, Pet & Day Use F	185.00	40.00	145.00	185.00	40.00	145.00
Sales	1,428.84	1,166.00	262.84	1,428.84	1,166.00	262.84
Vending Income	38.25	60.00	(21.75)	38.25	60.00	(21.75)
Recovery of Bad Debt	9,167.58	3,300.00	5,867.58	9,167.58	3,300.00	5,867.58
Miscellaneous & Tax Refund	0.00	25.00	(25.00)	0.00	25.00	(25.00)
<b>Total Operating Income</b>	<b>14,859.27</b>	<b>33,869.63</b>	<b>(19,010.36)</b>	<b>14,859.27</b>	<b>33,869.63</b>	<b>(19,010.36)</b>
<b>Operating Expenses</b>						
Employee Expenses	51,970.28	51,878.69	(91.59)	51,970.28	51,878.69	(91.59)
Accrued Vacation Payout	0.00	0.00	0.00	0.00	0.00	0.00
Administrative Expenses	5,540.10	6,144.50	604.40	5,540.10	6,144.50	604.40
Cabin Expenses	18.53	175.00	156.47	18.53	175.00	156.47
Cleaning Expenses	500.97	725.00	224.03	500.97	725.00	224.03
Commission Expenses	0.00	0.00	0.00	0.00	0.00	0.00
General Property Maintenan	3,854.20	2,559.00	(1,295.20)	3,854.20	2,559.00	(1,295.20)
Lodge Expenses	84.12	350.00	265.88	84.12	350.00	265.88
Owner Events	90.57	10.00	(80.57)	90.57	10.00	(80.57)
Ownership Sales & Transfers	91.75	112.00	20.25	91.75	112.00	20.25
RV Expenses	0.00	175.00	175.00	0.00	175.00	175.00
Sales & Marketing Expense	520.50	680.00	159.50	520.50	680.00	159.50
Sales Expense	727.07	361.50	(365.57)	727.07	361.50	(365.57)
Stables Expense	1,500.39	2,741.66	1,241.27	1,500.39	2,741.66	1,241.27
Utilities Expense	26,799.70	22,614.92	(4,184.78)	26,799.70	22,614.92	(4,184.78)
Rodeo Expense	0.00	0.00	0.00	0.00	0.00	0.00
Property Insurance Expense	15,028.25	13,000.00	(2,028.25)	15,028.25	13,000.00	(2,028.25)
Property Taxes Expense	7,500.00	7,500.00	0.00	7,500.00	7,500.00	0.00
Bad Debt Expense	4,590.74	0.00	(4,590.74)	4,590.74	0.00	(4,590.74)
Depreciation Expense	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Expense	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Operating Expenses</b>	<b>118,817.17</b>	<b>109,527.27</b>	<b>(9,289.90)</b>	<b>118,817.17</b>	<b>109,527.27</b>	<b>(9,289.90)</b>
<b>Net Operating Income</b>	<b>\$ (103,957.90)</b>	<b>\$ (75,657.64)</b>	<b>(28,300.26)</b>	<b>\$ (103,957.90)</b>	<b>\$ (75,657.64)</b>	<b>(28,300.26)</b>

**R-Ranch In The Mountains  
Operating Variance Report  
January 2015**

	<u>MTD Actual</u>	<u>MTD Budget</u>	<u>MTD Variance</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Variance</u>
<b>Assessments</b>	700	18,286	(17,586)	700	18,286	(17,586)

The monthly and year to date unfavorable variances are due to having no historical data to accurately forecast assessments for the month of January.

**Electric Reimbursements**

	838	8,785	(7,947)	838	8,785	(7,947)
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The monthly and year to date unfavorable variances are due to billing leased electric usage late.

**Ownership Sales and Transfers Income**

	686	100	586	686	100	586
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The monthly and year to date favorable variances are due to more transfers occurring than anticipated.

**Recovery of Bad Debt Income**

	9,168	3,300	5,868	9,168	3,300	5,868
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The monthly and year to date favorable variances are due to the collection of past due amounts that had balances accrued in the old accrual system. Any billing beginning January 1, 2015, once collected will show up in it's respected income account.

**Administrative Expenses**

	5,540	6,145	604	5,540	6,145	605
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The monthly and year to day favorable variances are due to lower than anticipated merchant service fees and holding off some collection expenses until a later time. However this was offset by receiving and paying the Chamber of Commerce earlier than anticipated as it budgeted for May.

**General Property Maintenance**

	3,854	2,559	(1,295)	3,854	2,559	(1,295)
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The monthly and year to date unfavorable variances are due repairs to the stable gator and invoices that were accrued in December but paid in January.

**Stables Expense**

	1,500	2,742	1,241	1,500	2,742	1,242
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The monthly and year to date favorable variances are due to no vet fees this month (Doc Hinton passed away and we are looking for a new vet) as well as overall expenses being less than anticipated.

**Utilities Expense**

	26,800	22,615	(4,185)	26,800	22,615	(4,185)
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The monthly and year to date unfavorable variances are due to paying a propane bill from December

**Property Insurance Expense**

	15,028	13,000	(2,028)	15,028	13,000	(2,028)
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The monthly and year to date unfavorable variances are due being higher than anticipated.

**Bad Debt Expense**

	4,591	0	(4,591)	4,591	0	(4,591)
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The monthly and year to date unfavorable variances are due to taking back ownerships due to hardships, bankruptcies and settlements.

R-Ranch In The Mountains® - Cash  
 Budget Comparison Report - Reserve Accounts  
 For the One Month Ending January 31, 2015

	Monthly Actual	Monthly Budget	Monthly Variance	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance
Cabin Reserve Income	\$ 4,592.50	\$ 2,768.00	1,824.50	\$ 4,592.50	\$ 2,768.00	1,824.50
Cabin Reserve Expenses	8,187.44	1,495.08	(6,692.36)	8,187.44	1,495.08	(6,692.36)
Net Cabin Reserve Income	(3,594.94)	1,272.92	(4,867.86)	(3,594.94)	1,272.92	(4,867.86)
RV Reserve Income	274.00	1,632.00	(1,358.00)	274.00	1,632.00	(1,358.00)
RV Reserve Expenses	9,497.84	585.97	(8,911.87)	9,497.84	585.97	(8,911.87)
Net RV Reserve Income	(9,223.84)	1,046.03	(10,269.87)	(9,223.84)	1,046.03	(10,269.87)
RV 6 Reserve Income	0.00	8.00	(8.00)	0.00	8.00	(8.00)
RV 6 Reserve Expenses	0.00	0.00	0.00	0.00	0.00	0.00
Net RV6 Reserve Income	0.00	8.00	(8.00)	0.00	8.00	(8.00)
Lodge Reserve Income	1,000.00	2,500.00	(1,500.00)	1,000.00	2,500.00	(1,500.00)
Lodge Reserve Expenses	10,419.50	3,995.00	(6,424.50)	10,419.50	3,995.00	(6,424.50)
Net Lodge Reserve Income	(9,419.50)	(1,495.00)	(7,924.50)	(9,419.50)	(1,495.00)	(7,924.50)
Stables Reserve Income	485.00	120.00	365.00	485.00	120.00	365.00
Stables Reserve Expenses	1,371.67	7.14	(1,364.53)	1,371.67	7.14	(1,364.53)
Net Stables Reserve Income	(886.67)	112.86	(999.53)	(886.67)	112.86	(999.53)
Infrastructure Reserve Income	0.00	0.00	0.00	0.00	0.00	0.00
Infrastructure Reserve Expense	1,517.73	0.00	(1,517.73)	1,517.73	0.00	(1,517.73)
Net Infrastructure Reserve In	(1,517.73)	0.00	(1,517.73)	(1,517.73)	0.00	(1,517.73)
Dam/Legal Reserve Income	101.63	120.20	(18.57)	101.63	120.20	(18.57)
Dam/Legal Reserve Expense	0.00	0.00	0.00	0.00	0.00	0.00
Net Dam/Legal Reserve Inco	101.63	120.20	(18.57)	101.63	120.20	(18.57)
Total Net Reserve Income	\$ (24,541.05)	\$ 1,065.01	(25,606.06)	\$ (24,541.05)	\$ 1,065.01	(25,606.06)

**R-Ranch In The Mountains  
Reserves Variance Report  
January 2015**

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

**Reserve - Cabin Income**

4,593	2,768	1,825	4,593	2,768	1,825
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The monthly and year to date favorable variances are due to higher than anticipated cottage fees and guest and group fees and an additional adoption that was not budgeted.

**Reserve - RV Income**

274	1,632	(1,358)	274	1,632	(1,358)
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The monthly and year to date unfavorable variances are due to the one adoption that was available did not get readopted also no monthly adoptions were taken either.

**Reserve - Lodge Income**

1,000	2,500	(1,500)	1,000	2,500	(1,500)
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The monthly and year to date unfavorable variances are due to weddings and group income being less than anticipated.

**Reserve - Cabin Expense**

8,187	1,495	(6,692)	8,187	1,495	(6,692)
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The monthly and year to date unfavorable variances are due to purchasing the boiler earlier than originally

**Reserve - RV Expense**

9,498	586	(8,912)	9,498	586	(8,912)
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The monthly and year to date unfavorable variances are due to purchasing the boiler earlier than originally

**Reserve - Lodge Expense**

10,420	3,995	(6,425)	10,420	3,995	(6,425)
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The monthly and year to date unfavorable variances are due to purchasing the boiler earlier than originally

**Reserve - Stables Expense**

1,372	7	(1,365)	1,372	7	(1,365)
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The monthly and year to date unfavorable variances are due to purchasing the boiler earlier than originally

**Reserve - Infrastructure Expense**

1,518	0	(1,518)	1,518	0	(1,518)
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The monthly and year to date unfavorable variances are due to purchasing the boiler earlier than originally

R-Ranch In The Mountains® - Cash  
Rodeo Budget Comparison Report  
For the One Month Ending January 31, 2015

	Month Actual	Month Budget	Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Operating Income						
Total Rodeo Income	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses						
Total Rodeo Expenses	0.00	0.00	0.00	0.00	0.00	0.00
Net Rodeo Income	\$ 0.00	\$ 0.00	0.00	\$ 0.00	\$ 0.00	0.00