

R-Ranch Owners Association BOD Monthly Meeting

November 21, 2009

Owner #

Name

0568	Barbara Brown
0391	William Brown
1357	Eric Brown
0134	Ann Brown
0599	Rick Ketchum
0391	Diane Ketchum

**R-Ranch Owner's Association
Board of Directors
Monthly Board Meeting
November 21, 2009**

I. CALL TO ORDER

The regular monthly meeting of the R-Ranch Owners Association Board of Directors Meeting was called to order on November 21, 2009 at 9:45 a.m. by the President, Mindy Keheley.

Board of Directors Present At Meeting

Board members present at the meeting included: Mindy Keheley, Larry Blaze, Richard Ducett, Fawn Howell, Anita Curry, Brenda Harned, Don Hyatt, and Gary Harden.

R-Ranch Owners Present At Meeting

R-Ranch Owners who attended the meeting included: Barbara Brown, Diane Hyatt, Cecil Facetti, Karen Meadows, and Rick Keheley. (See attached sign in sheet)

II. OPENING PRAYER

Don Hyatt led the meeting in an opening prayer.

III. APPROVE/AMEND AGENDA

Richard Ducett made the motion to approve the Agenda as amended. Brenda Harned seconded the motion. Motion carried. (See attached Agenda) Amendments to the Agenda included: changing "Reports a. Financials" from Rudy to Rick Keheley and Cecil Facetti and adding "e. Budget – Rick Keheley" to "New Business."

IV. READING/ACCEPTING MINUTES

Richard Ducett made a motion to accept the Minutes from the September 19, 2009 Board Meeting as written. Larry Blaze seconded the motion. All Board Members voted yes with the exception of Anita Curry who abstained due to the fact that she wasn't on the board or present at the September 19, 2009 Monthly Board Meeting. Motion Carried.

Larry Blaze made a motion to accept the Minutes from the October 3, 2009 Special Board Meeting as written. Richard Ducett seconded the motion. All Board members voted Yes with the exception of Anita Curry who abstained from voting due to the fact that she was not on the Board at the October 3, 2009 Special Board Meeting. Motion carried.

Don Hyatt made the motion to accept the Minutes from the October 24, 2009 Special Board Meeting as written. Richard Ducett seconded the motion. All Board members voted "Yes". Motion carried.

Brenda Harned made the motion to accept the Minutes from the October 24, 2009 Bi-annual Owners Meeting as amended. Anita Curry seconded the motion. Amendments were as follows: adding a reminder of the collection of stuffed animals for the Beary

Christmas for the under privileged children of Dalmonega and the December 5, 2009
Breakfast with Santa. Motion carried.

V. REPORTS

a. Financial - Rick Keheley/Cecil Pacetti

Rick Keheley stated the Finance Committee met with Rudy Campanale, Executive Director, on November 14, 2009 to finalize the budget to present to the owners. Rudy wanted to change the format of the budget, which Rick and his committee were in agreement with. The original budget had many line items and the new format is a one page simplified version. As of November 13, 2009, our Active Owners Status is 861. Rick Keheley stated that this number of active owners is low, he feels, due to the economy. Rudy gave the Finance Committee a plan of what R-Ranch is doing to collect past due assessments and increase the numbers of active owners. The projected income for the 2010 Budget is \$814,500.00. Rick stated that this amount is down by about \$150,000-\$200,000 this year. Rudy's proposed budget showed a deficit of \$88,300.00. Rick stated that he wants to present a balanced budget to R-Ranch owners. In order to do this, the legal fees (that R-Ranch has already paid) that will be reimbursed to R-Ranch at the close of the Crosswind Settlement, will be included in the budget. The remainder of the Settlement has been earmarked for the Rainbow Dam. The proposed budget for 2010 will be \$1,016,800,000. This budget will be approximately \$300,000.00 less than the last two years' budgets. Rick stated that this budget has been trimmed and cut to include only the necessities to R-Ranch. The Executive Director has renegotiated contracts with security, trash pick-up, etc. to cut costs at R-Ranch. Rick stated that this budget is the "Bare Bones Budget" for R-Ranch.

Cecil Pacetti, Finance Committee Member, gave a report of the Balance Sheet Financial that Rudy Campanale presented to the committee November 14, 2009. Cecil stated that Rudy had begun a new accounting system at R-Ranch due to what he felt were deficiencies in the old system. Apparently, the old system never balanced due to the fact that there were both cash and accruals entries made. The new books are set up on an accrual basis only. Attached are a Balance Sheet and an Income Statement dated November 30, 2009. Cecil explained the reason these financials are dated November 30, 2009, is because Peachtree gives a projected end of month statement when you ask for a year to date. Cecil stated that on November 13, 2009, R-Ranch had total revenues of \$1,430,515.68 for the year. This budget is on a cash basis but our books are on an accrual basis. Our total expenses for the year to date are \$1,111,453.52. Our income is \$319,062.16. Cecil stated that there is about \$220,000.00 in the bank but there is \$337,000 is in accounts receivable. In trying to get us back to a cash basis, Cecil stated that if you take the \$337,000.00 off of your revenues of \$319,062.16, this leaves us with a slight loss on a cash flow basis. (See Attachments)

Rick Keheley reminded this Board as well as future boards of the recommendation from his committee to spend money wisely and carefully. The R-Ranch recently was forced to reduce employees' insurance benefits due to the cost to R-Ranch. He felt that R-Ranch should not take benefits from employees and then spend money on unnecessary and unbudgeted items. Rick stated that if the assessments stay on the same track, and the

spending stays on the current track, by the end of February 2010, R-Ranch would be \$140,000 in arrears. Rick also stated that with the assessments that come in before April 2010 and the cutbacks in the budget, he feels "R-Ranch will squeak by".

Larry asked Rick if these figures took into account the five year sites coming available in December. Rick stated the \$1,016,800 budget does not include the five year leases. He stated that this money will help offset the \$140,000 at the end of February and will be a buffer to get us through to the April assessments.

Cecil Pacetti stated that Rudy Campanale is looking into the tax assessment on this property. He feels that the amount is grossly overpriced. If you have multiple owners in the same property, it diminishes the value of the property because you have to have several people making decisions on the property. Because we have 1,000 owners, we should get a substantial diminishment in the value of the property because we cannot sell it easily. The tax assessment office generously offered us 20% off the assessed property value, but Cecil thinks he should be lower. Rudy is following a case in Gwinnett County, GA where the common areas are valued at \$1. The appeal process is in the spring, so we will appeal at that time. He is looking for owners with expertise in this area.

b. R-Ranch Grounds Report - Steve Corbin

Steve Corbin reported the Maintenance Team has been working on updating the front office. This included painting, adding trim, building display shelves, repairing of water leaks, sealing windows, moving furniture, and hanging decor for the office. Steve reported that his team will be adding flashing to the windows in the office to repair and prevent the leaks in these windows.

Steve also reported that his team painted the columns up at the lodge and patched the ceiling inside the lodge, and painted the doors. Steve discussed the problem of the water leaks in the lodge and the need for gutters on the lodge. Steve reported that Rudy will get quotes from roofers to repair the leaks and the cost for new gutters.

Steve also commented that his team has been winterizing buildings and changing out light bulbs to energy efficient ones. He also stated that the rain has caused some delays in the gravel work on roads, etc. In regard to the Crosswind Settlement property, Steve reported that the pole barn has been moved, and he is still trying to get the hay removed from the run-in so that the run-in can be moved. All of the T-post fencing has been removed from the property.

Anita Curry thanked Steve and his crew for all their help during the Halloween Haunted House. Mindy thanked Anita for all her hard work in the Haunted House.

Steve reported that the R-Ranch Stables will now be closed on Thursdays thru the winter months.

Mindy asked Steve what he knew about some wood in the Maintenance Shop to be used for a new dance floor in the lodge. Steve stated that the wood was to be used for a new

dance floor. His crew is supposed to installing the floor sometime in December. Discussion ensued by the Board regarding this purchase and its necessity. Treasurer, Richard Duceat, stated that he knew nothing about this purchase. The Board Of Directors did not know of or approve this purchase. Due to the state of our finances, after further discussion, President, Mindy Keheley stated that Steve should hold off on even opening the crate of wood until she could discuss this with Rudy Campanale (Executive Director) to find out the cost and why this would have priority over other repairs needed at the Lodge.

c. Committee Reports

- Accommodation Committee Report/Barbara Brown - Barbara Brown stated that her committee is going to put together a report stating what this committee believes needs to be upgraded/repaired/improved upon, etc. at R-Ranch. Barbara Brown asked the board if this report should include the office, lodge, and common areas as well as the R-Ranch RV's and cabin areas. Mindy agreed that common areas, lodge and office could be included in this report.

Anita Curry gave an update of her Chili Cook-off held during Owners' Weekend. This cook-off was held as a fundraiser for the Rehab Cabin Group. It was very successful as the profit was \$516. Anita thanked everyone for their support.

VI. OLD BUSINESS

a. RV 5 - Five Year Leases

Fawn Howell asked for discussion about RV 5 leased sites. Discussion ensued regarding the number of sites to be leased, number of years, and pricing for lease. Brenda Harned made the motion to lease twenty-one five year sites in RV 5 at \$6,500.00 each (3,250.00 due at the lottery on Dec. 5, 2009 with the remainder due on or before April 1, 2010). Anita Curry seconded the motion. The vote was unanimous and the motion was carried.

b. Crosswind Update

Mindy Keheley stated that on October 30, 2009 R-Ranch went to the Lumpkin County Courthouse to seek a motion to enforce the Settlement Agreement with Crosswind that the R-Ranch Owners voted upon in the April 2009 Owners' Meeting. The Judge did grant the motion to enforce the settlement agreement. The next step will be to set a closing date sometime after the first of the year.

c. Rainbow Dam Update

Larry Blaze stated that after talking with Stacy Mills (the Engineer on Record), it was determined that there is no quick fix to repair Rainbow Dam. Larry also talked to Mr. Woolsley at the DNR, and told him that R-Ranch had lowered the level of the lake, and saw some of the seepage drying up. He also told Mr. Woolsley, that a visual inspection had been conducted, and they did not believe that the overflow pipe situation was quite as bad as originally thought. Larry also talked to Mr. Woolsley about the DNR losing the

video tape of the inspection conducted. Mr. Woolsley stated that as long as the Engineer on Record, Stacy Mills, signed off on everything, Mr. Woolsley would be satisfied.

Larry also discussed with the Board about speaking to Steve Gooch about Rainbow Dam. Steve Gooch suggested that Larry Blaze contact Chip Pearson, our Georgia State Senator. Larry Blaze did talk with Chip Pearson. Chip Pearson is supposed to meet with the head of the DNR Department in December to discuss Rainbow Dam and another dam in Lumpkin County with issues. Chip Pearson will contact Larry Blaze after the meeting.

Discussion ensued regarding Rainbow Dam, and finally, it was determined that R-Ranch would wait to hear back from Chip Pearson before making any other changes to the dam.

VII. NEW BUSINESS

a. Off-Season - 3 Week Stay - Richard Duceatt

Richard Duceatt discussed a three week stay at R-Ranch. He stated that in years past, R-Ranch did allow owners to stay for three week reservations during the winter months. Discussion ensued. Richard Duceatt made the motion to extend the winter stay from December 1 - March 31, 21 day stay with 3 day leave. Larry Blaze seconded the motion. All votes were yes, with the exception of Mindy Keheley, who voted no. Motion carried.

b. Policies and Guidelines - Amendments and/or Corrections

The Policies and Guidelines, Covenants and Bylaws Committee gave the Board of Directors Recommended changes, additions and deletions (See Attached). Fawn Howell made the motion to accept the referenced corrections to the following:

- 1) Section 1.12- Disorderly conduct - Add "Article VIII" in the last sentence - should read: "Bylaws, Article VIII, Section 8.1.2.
 - 2) Section 2.2 - Guest Registration - Add I, Section. - Should read "Article I, Section 1.6.
 - 3) Section 5.4 - Sale of Alcoholic Beverages - Change "Article" to "Section" and "O" to "I" and put Article I before General Information. Should read, "(reference Article I, General Information, section 1.11."
 - 4) In Article VI - Activities Center. In first paragraph, change "I" to "I" in last sentence of first paragraph and put General Information for Youth behind Article I.
 - 5) Section 8.2 - Stable Rules - Subsection 8.2.8 - Add "X" and "Section." Should read, "(See also Article X, Section 10.3)."
 - 6) Section 8.3 - Guest Limitations - Add "II" and Section." Should read, "(Article II, Section 2.1 applies.)"
 - 7) Section 8.4 - Personal Horses - Add "VIII, Section." Should read, "(see Article VIII, Section 8.2.2.)"
 - 8) Section 10.5 - Cleanup After Pets - Correct "O" to "0". Should read, "Section 10.5."
- Richard Duceatt seconded the motion and the motion was carried.

Rawn Howell made the motion to accept the change from "Administrative" to "Executive" in the following articles/sections:

- 1) Article I, sections 1.10; 1.12 (2 places; 1.18 and 1.23
- 2) Article III, Section 3.8
- 3) Article IV, Section 4.1.b
- 4) Article V, Sections 5.2; 5.3
- 5) Article XI, Sections 11/10; 11.12; 11.16 and 11.22

Don Hyatt seconded the motion and the motion was carried.

The Board of Directors discussed the other changes and amendments recommended by the P&GB&C Committee.

The Section 1.17 was tabled.

In regard to the Section 1.18a, the committee recommended this section be deleted from the Policies and Guidelines. Discussion ensued and Richard made the motion to delete Section 1.18a from the Policies and Guidelines. Anita Curry seconded the motion. Vote was unanimous and the motion was carried.

In Section 3.2, Don Hyatt made the motion to accept the changes made by the committee. (See Attached). Anita Curry seconded the motion. Vote was unanimous and motion was carried.

In Section 3.3, Anita Curry made the motion to change Section 3.3, to the recommended changes by the committee (See Attached). Larry Blaze seconded the motion. Vote was unanimous and motion was carried.

In Section 3.4, Anita Curry made the motion to change this section to the recommended changes by the committee (See Attached). Brenda Harned seconded the motion. Vote was unanimous and motion was carried.

In Section 3.5, the recommendation by the committee was tabled by the Board of Directors.

In Section 3.7, Brenda Harned made the motion to change this section to the recommended changes by the committee (See Attached). Anita Curry seconded the motion. Vote was unanimous and motion was carried.

In Section 11.2, Anita Curry made the motion to change this section to the recommended changes by the committee (See Attached). Brenda Harned seconded the motion. Vote was unanimous and motion was carried.

In Section 11.6, Anita Curry made the motion to change this section to recommended changes by the committee (See Attached). Larry Blaze seconded the motion. Vote was unanimous and the motion was carried.

In Section 11.8, Anita Curry made the motion to change this section to the recommended changes made by the committee (See Attached). Don Hyatt seconded the motion. Vote was unanimous and the motion was carried.

In Section 11.23, Anita Curry made the motion to change this section to the recommended changes made by the committee (See Attached). Richard Duceatt seconded the motion. Vote was unanimous and the motion was carried.

c. Coast to Coast/Passport of America – Don Hyatt

Don Hyatt stated that he would like to discuss the R-Ranch adding Passport of America to the R-Ranch's campground memberships. Discussion ensued. Don made the motion to add Passport of America to R-Ranch's campground memberships. Anita Curry seconded the motion. Role call vote: Don Hyatt-yes, Richard Duceatt-yes, Brenda Harned-yes, Anita Curry-yes, Larry Blaze-no, Mindy Keheley-no, Fawn-no. Motion carried.

d. Rodeo – Larry Blaze

Larry Blaze brought the rodeo up for discussion. He stated it had been a good money maker for the R-Ranch in the past years. Larry added he would like to see Mindy Keheley oversee the promotion of the rodeo. Discussion ensued. Larry Blaze made the motion that the R-ranch go back to paying someone to do rodeo. It would be \$1,000.00 plus 5% of the net profit and gasoline allowance. Fawn seconded the motion. Vote was unanimous and the motion carried.

e. Budget- Rick Keheley

Rick Keheley presented the 2010 budget to the R-Ranch Board of Directors. (See Attached) Anita Curry made the motion to accept the \$1,016,800.00 budget as proposed. Richard Duceatt seconded the motion. Motion carried.

VIII. ADJOURN MEETING

Mindy Keheley stated that there would not be a Board Meeting in December and the next meeting would be held on January 16, 2010 at 9:30 a.m. Anita Curry made the motion to adjourn the meeting. Richard Duceatt seconded the motion. Motion carried and the meeting was adjourned at 1:15 p.m.

Respectfully submitted
Fawn E. Howell
Secretary

Approval Date

1-16-10

Fawn E. Howell



**R-Ranch Owner's Association
Board of Directors
Monthly Board Meeting
Agenda
November 21, 2009, 9:30am**

V. Call to Order

VI. Opening Prayer

VII. Approve / Amend Agenda

VIII. Reading / Accept Minutes

V. Reports:

a. Financial - Rudy - Rick - Cecil

b. Grounds Report - Steve

c. Committee Reports

VI. Old Business

a. RV-5 Year Leases

b. Crosswind Update

c. Rainbow Dam Update

VII. New Business

a. Off Season- 3 Week Stay -Richard

b. Policies and Guidelines - Amendments and/or Corrections

c. Coast to Coast /Passport of America -Don

d. Rodeo - Larry

e. Budget - Rick

VIII. Adjourn Meeting

ended 1:15

Unaudited - For Management Purposes Only

	900,004.65
	18,899.65
	0.00
	18,899.65
	929.87
	5,000.00
	438.00
	1,900.00
	10,631.78
	\$

LIABILITIES AND CAPITAL

	\$ 1,259,141.88
	93,425.22

	3,425.22
	90,000.00

	578,827.91
	(491,609.77)
	652,246.81
	70,457.39
	207,932.48
	54,133.50
	85,667.50

	586,888.75
	222.00
	4,111.92
	263.50
	337,049.49
	5,000.00
	220,436.66
	10,109.90
	1,407.27
	6,846.81
	503.20
	438.00
	300.00
	200.00
	\$

ASSRTS

November 30, 2009

Balance Sheet

R-Ranch In The Mountains Association

Capital
Designated Net Assets

Total Liabilities

Total Long-Term Liabilities

Long-Term Liabilities

Total Current Liabilities

Accounts Payable
Lodge Event Endowment
Chapel Endowment Fund
RV 1 Endowment Fund
Sales Tax Payable

Total Assets

Total Other Assets

Propane
Land Ranch Memberships
Other Assets

Total Property and Equipment

Property and Equipment
Furniture and Fixtures
Vehicles
Machinery & Equipment
Horses & Sports Equipment
Buildings & Land Improvements
Accumulated Depreciation

Total Current Assets

Current Assets
Perry Cash
Register Cash
Chapel Fund Cash
Payroll Account Wachovia
Lodge/Events Fund
Trust Account Legal Wachovia
Trust Reserve Account Wachovia
Operating Account Wachovia
RV Lottery Fund Wachovia
Accounts Receivable
Inventory Ice
Inventory-Propane
Inventory-Souvenirs/Promos

A

Unaudited - For Management Purposes Only

1,240,242.23
\$ 1,259,141.88

R-Ranch In The Mountains Association
Balance Sheet
November 30, 2009
21,175.42
319,062.16
1,240,242.23

Total Liabilities & Capital
Total Capital
Designated Assets
Loss Carry-over from Old Co.

R-Ranch In The Mountains Association

Income Statement
For the Eleven Months Ending November 30, 2009

Year to Date	Current Month		
70.95	1,014,994.92	\$ (18.73)	(466.00)
0.28	4,020.00	16.28	405.00
4.18	59,851.24	71.52	1,779.62
0.56	7,999.19	(3.57)	(88.92)
0.95	13,623.36	6.85	170.50
0.12	1,675.00	1.00	25.00
0.18	2,514.00	15.57	387.50
0.00	0.48	0.00	0.00
0.77	11,043.66	5.43	135.00
3.49	49,971.20	5.66	140.75
18.51	264,822.63	0.00	0.00
100.00	1,430,515.68	100.00	2,488.45
0.00	0.00	0.00	0.00
100.00	1,430,515.68	100.00	2,488.45
3.61	51,596.22	0.00	0.00
2.21	31,607.66	0.00	0.00
1.62	23,191.57	3.42	84.99
0.00	33.00	0.44	11.00
0.00	50.00	0.00	0.00
0.55	7,845.00	0.00	0.00
3.82	54,585.92	466.98	11,620.67
0.67	9,636.61	0.00	0.00
0.11	1,597.98	7.47	186.00
6.03	86,272.94	445.48	11,085.64
0.28	3,996.26	4.80	119.33
0.68	9,782.57	36.98	920.26
0.12	1,783.51	15.46	384.77
0.61	8,657.44	1.34	33.25
0.04	555.00	0.00	0.00
0.01	131.20	1.50	37.43
0.03	364.28	12.92	321.55
0.63	9,018.82	9.67	240.75
0.14	2,051.11	18.57	462.17
0.21	2,966.18	0.43	10.69
0.08	1,128.45	0.00	0.00
0.01	88.30	0.00	0.00
0.10	1,429.81	0.94	23.43
0.15	2,081.13	0.00	0.00
0.04	552.37	2.43	60.43
0.49	7,009.22	0.00	0.00
0.42	5,940.46	0.00	0.00
1.49	21,326.45	14.06	350.00
0.66	9,502.86	0.00	0.00
0.21	3,043.72	0.00	0.00
0.03	374.24	8.01	199.24
0.87	12,485.45	0.00	0.00
0.12	1,781.06	0.00	0.00
0.31	4,407.01	0.00	0.00

For Management Purposes Only

- Membership dues
- Leases RV/Cabin
- Miscellaneous Income
- RV Leased Electric Revenue
- RV Site Guest/Group
- Cabin Electric Revenue
- Electric Usage Income
- Interest Income
- Stable & Riding Income
- Cabin Rental
- Past Due Membership/FC Income
- Total Revenues
- Cost of Sales
- Total Cost of Sales
- Gross Profit
- Expenses
 - Property Insurance / WC
 - Property Taxes 2008
 - Computer & Program Expense
 - Legal Recording Expense
 - Bad Debt Expense
 - Printing Fees
 - Bank / Merchant Fee Expense
 - Business Fee/Dues/Subscriber
 - Utilities Expense
 - Office Expense
 - Telephone Expense
 - Communication/Radio Expense
 - Postage and Shipping Expense
 - Stable Expense
 - Equipment Rental Expense
 - Maintenance Expense
 - Printing / Copying Expense
 - Building Office/Maint Repairs
 - Rainbow Cabin Repair Expense
 - Rental House Repair Expenses
 - Cabin Bathroom Repair Exp
 - RV Bathroom Repair Expense
 - RV Area Repair Expense
 - Stable Repair Expenses
 - Lodge Repair Expenses
 - Pool Supplies
 - Pool Expense
 - Grill Food Supplies Expense
 - Grill Non-Food Supply Expense
 - CBI Expense
 - Sewer Treat. Plant Expenses
 - Water Treatment Repair Expense
 - Testing Fee Expense

R-Ranch In The Mountains Association
 Income Statement
 For the Eleven Months Ending November 30, 2009

Year to Date	Current Month	Year to Date	Current Month
4.72	53.90	67,499.89	2.17
2.77	2,736.73	39,636.69	109.98
26.46	10,714.84	378,533.32	430.58
3.24	4,930.33	46,357.88	198.13
2.30	0.00	32,959.00	0.00
0.02	380.00	308.16	0.00
0.49	204.00	7,035.00	15.27
0.09	241.90	1,302.24	8.20
0.41	0.00	5,920.71	9.72
0.34	0.00	4,806.87	0.00
0.03	0.00	454.05	0.00
0.02	0.00	265.56	0.00
1.21	9.16	17,302.33	0.37
0.59	771.61	8,449.13	31.01
0.65	0.00	9,293.45	0.00
0.45	0.00	6,415.53	0.00
0.57	294.55	8,168.79	11.84
0.68	637.47	9,797.26	25.62
0.19	48.09	2,705.02	1.93
0.27	0.00	3,819.79	0.00
0.53	0.00	7,547.02	0.00
5.20	(60.00)	74,359.19	(2.41)
0.05	0.00	668.11	0.00
0.07	974.73	974.73	39.17
77.70	48,088.91	1,111,453.52	1,932.48
22.30	(45,600.46)	319,062.16	(1,832.48)

For Management Purposes Only

Designated Net Assets

- Current Service Expense
- Ill Tax Expense
- Payroll Expense
- Health Insurance Expense
- Lawn Service Expense
- Rence / Pasture Expense
- Farrier Expense
- Feed
- Vet Fees/Medicine Expense
- Stable Misc. Expense
- Non Expensible Tack
- Vehicle & Truck Expense
- Miscellaneous Expense
- Trash Removal
- Pest Control Services Termite
- Grounds/Property Repair Exp
- Road Repair Expense
- Fuel - Ranch Equipment
- Maintenance Vehicle Repair Exp
- Ranch Equipment Repair Exp
- Maintenance Supplies Expense
- Security Contract
- Sales & Marketing Expense
- Subcontractor Exp - Catering

Total Expenses

11/9/09

TO: BOARD OF DIRECTORS

FROM: POLICIES AND GUIDELINES, COVENANTS AND BYLAWS COMMITTEE

RE: RECOMMENDED CHANGES, ADDITIONS AND DELETIONS TO THE POLICIES AND GUIDELINES DOCUMENT

The Covenants (Article X, Section 10.1) and Bylaws (Article VII General Policies and Guidelines Section 7.1) Adoption and Amendment clearly states that the Board of Directors shall have the right from time to time to promulgate general policies and guidelines governing the use of the facilities of the Ranch, to amend any existing policies and guidelines governing such use, to enforce any such policies and guidelines, and to establish penalties for the violation of any such policies and guidelines.

With this direction in mind, the Policies and Guidelines, Covenants and Bylaws Committee approved the following changes, additions and deletions to the Policies and Guidelines document at a meeting held on October 1, 2009. These changes, additions and deletions are being submitted to the Board of Directors for review and approval.

ARTICLE I – GENERAL INFORMATION

Section 1.12 – Disorderly Conduct - Add "Article VIII" in last sentence – should read: "Bylaws, Article VIII, Section 8.1.2".

RATIONALE: To correct the section reference.

Section 1.17 – Commercial or Professional Activity – Add "Article VI." Delete the wording "or the sale, purchase or brokerage of Unit Interests for a profit"; "or from the transfer of ownership of a Unit Interests ~~for a profit~~, whether or not title to such Unit Interest ever vests in Member"; and "A onetime sale of a Unit Interest by the Owner of such Unit Interest shall not be deemed a violation of this Section 1.17 provided that such Owner has been the owner of record of the Lumpkin County public records, for a period of at least twelve (12) consecutive months."

Added

Should read: "No owner shall make any commercial or professional use of the Ranch whatsoever. Use of the Ranch by owners is restricted to recreational purposes only such as hiking, camping, horseback riding, swimming and other such outdoor sports. The Association shall have the exclusive right to engage in commercial and professional activities related to the Ranch and all such profits therefrom shall be common profits of the Association and shall be held, used and disbursed for the benefit of all of the owners to be applied to the payment of common expenses and as otherwise provided at Article VI, Section 6.4.3 of the Declaration of

Covenants. Owners are not permitted to compete with the Association in any profit making activity related to the Ranch, included but not limited to, advertising for or engaging in concessions, food and beverage services, souvenirs, event, etc. Section 1.17 shall be deemed violated if a Member receives any value, monetary or otherwise, in connection with the sale of concessions, food or beverages, souvenirs, etc. Section 1.17 shall also be deemed violated if a Member is engaged in the advertising or promotion of any competing activity enumerated herein. Violation of the Section 1.17 shall result in permanent suspension from the Ranch and liquidated damages in the amount of the then current market value of such Owner's Unit Interest(s).

RATIONALE: The Declaration of Covenants, Article IV, Administration, Section 4.1 states that a transfer of fee simple title to a unit interest in the Ranch by an owner shall automatically transfer the membership appurtenant thereto, and Agreement of Cotenancy, 2, Assignability of Undivided Interests which states "...Shall be freely transferable and there shall be no restrictions on such transfer except that any such transfer must convey a unit equal to a one-thousand four hundredth (1/2400) Undivided Interest in the Ranch...". In the By-laws, Article IX, Section 9.6 Notice of Transfer of Interest states that the only requirement in this section is that the owner shall promptly give the Secretary written notice of such sale setting forth the name and address of such sale. At the Board of Directors September 20, 2008 meeting, the minutes states, "the Policy and Guidelines proposed moving Professional Activities from Policies and Guidelines Section 1.17 to the bylaws. Bonnie will present a recommendation to the Board." The Covenants and By-laws will need to be amended by the Owners for the deleted wording to be legal and binding by the Owners.

The remainder of the section will remain since the wording was taken from the Declaration of Covenants.

Section 1.18 a) – Inspections of Records – Delete this section from Policies and Guidelines.

RATIONALE: This Section is in violation of the By-laws Article IX, Section 9.8 Inspection of Records which states that "a list of record of members, the accounting records and minutes of proceedings of the members, and the board of Directors and the Executive Committee and all other committees, if any, shall be open to inspection and copying upon the written demand of any member...". Bylaws cannot be changed without the approval of 2/3 of the Owners entitled to vote represented at a meeting duly called and held for such purpose. Sections 1.18 b) and c) are valid and can remain.

Section 1.19 - R Ranch's Right to Conduct Credit and Criminal Background Checks - The Committee is requesting to know from the Ranch attorney, Madeline Witt, what resource material was used to create the opinion that was outlined in her letter dated 5/11/04, copy attached. A search of the Georgia Code 35-3-34 addresses disclosure and dissemination of criminal records to private persons and businesses. Also, the Fair Credit Reporting Act (FCRA) states that credit reports are permissible for a legitimate business need for the information in connection with a business transaction that is initiated by the consumer. Are these the resource material/references she used to write her letter? If so, these references should be identified in this section for clarification.

ARTICLE II - GUESTS

Section 2.2 - Guest Registration - Add "1, Section." Should read, "Article I, Section 1.6."

RATIONAL: To correct the reference section.

ARTICLE III - RESERVATIONS

Section 3.2 - Owner Reservations - Add "(includes leased sites)", delete "designated" and add "sites," Should read, "Only one accommodation can be reserved for each Unit Interest owned (includes leased sites). Additional accommodations can be reserved and rented at the prevailing rate in cabins/sites."

RATIONAL: By adding "(includes leased sites)", it makes it clear to all owners that leased sites are included. By adding the word "site", it will include "RV/tents." Also, it was not clear to the Committee what "designated" meant.

Section 3.3 Reservation Deadlines - Add these two sentences at the end of the paragraph, "A specific site can be requested if available. No owner can be bumped from the reserved site without the approval of the owner who made the site reservation.

RATIONAL: This clarification will help to eliminate confusion and conflicts between

Owners.

Section 3.4 Term of Reservation - Add "tent" in two places" and "With exception of leased sites." Change "days" to "nights." Should read, "Owners may occupy a cabin/RV/tent site for a period of two weeks (14 nights) per visit. An absence of 3 nights between visits is required. With exception of leased sites, all owners' property must be removed from cabin/RV/tent site at the end of each visit. R Ranch is not designed for permanent residence, but for periodic enjoyment. All personal items left behind (including RV) will be considered a violation and will result in a \$25.00 per night fine."

RATIONAL: Adding "tent" would clarify that tent sites are included. Also, by adding "With exception of leased sites," would clarify that owners with a leased site are allowed to leave their property on the leased site.

leave

Section 3.5 – Rainbow Lake Cabin Reservation – Add “A leased owner who leases a cabin or RV/rent site will not be eligible for any usage fee reservation but will be eligible for the current Owner rate + usage fee reservation.”

RATIONALE: This section states, “Each Ownership will receive 14 nights peak season and 14 nights off-peak season (December 1-March 31) per calendar year.” The current lease agreement states that “Any owner who leases a cabin or RV site is not eligible for any fee reservations for any cabin or site (i.e., Lessee will be responsible for the then current rental fee if Lessee reserves a cabin or site)”. The usage fee applies to these 28 days. Since leased owners are currently not being allowed any of these 28 days at the usage fee rate, it is recommended by this Committee, that they be charged the Owner rate plus usage fee for these 28 days and not the Guest rate.

Section 3.7 – Check-In and Check-out Times – Add “/tent site”. Should read, “Check-in time is 4:00 p.m.; check-out time is 12:00 noon for cabins and 2:00 p.m. for RV/tent sites.”

RATIONALE: Change made to include tents.

ARTICLE IV – RV AREA

Section 4.1 – RV Restrictions – Add at the end of the first paragraph, “One tent is permitted with one RV per site.”

RATIONALE: To clarify that a tent is allowed on an RV site. This would allow children of owners to stay in a tent when camping with their parents.

ARTICLE V – LODGE

Section 5.4 – Sale of Alcoholic Beverages - Change “Article” to “Section” and “O” to “P” and put Article I before General Information. Should read, “(reference Article I, General Information, Section 1.11).”

ARTICLE VI – ACTIVITIES CENTER

In first paragraph, change “I” to “P” in last sentence of first paragraph and put General Information for Youth behind Article I.

RATIONALE: To correct reference section.

ARTICLE VIII – STABLE

Section 8.2 - Stable Rules–Subsection 8.2.8 - Add “X” and “Section.” Should read, “(See also Article X, Section 10.3).”

RATIONALE: To correct reference section.

Section 8.3 – Guest Limitations – Add “P” and “Section.” Should read, “(Article II, Section 2.1 applies.)”

Don't do w/it

RATIONALE: To correct reference section.

Section 8.4 - Personal Horses - Add "VIII, Section." Should read, "(see Article VIII, Section 8.2.2.)" ~~The word "personal horses" in the sentence, "horses" should be "horses."~~

ARTICLE X - PETS

Section 10.5 - Cleanup After Pets - Correct "O" to "0." Should read, "Section 10.5."

RATIONALE: To correct reference section.

ARTICLE XI - VEHICLES

Section 11.2 - Definitions - Add "scooters and motorcycles" after bicycles.

RATIONALE: Scooters and motorcycles should also be included in the definition of "Motor Vehicles" and "vehicles."

Section 11.6 - Mopeds - Delete last sentence, "These vehicles may be driven on the ranch if they are the only means of transportation available to the owner or guest."

RATIONALE: Mopeds do not make any more noise than golf carts.

Section 11.7 - Motorcycles - Add at the end of the paragraph, "These vehicles may be driven on the Ranch if they are the only means of transportation available to the owner or guest".

RATIONALE: Motorcycles make a lot of noise and can become a nuisance for the Ranch. In the Declaration of Covenants, Article II, Section 2.3 Restrictions on Owners, states "...No owner shall create or permit to exist any nuisance with the Ranch..."

Section 11.8 - Bicycles/Scooters - Add "(both motorized and non-motorized)" at the end of the section title.

RATIONALE: Bicycles and scooters are both motorized and non-motorized.

Section 11.19 - Motorized Children's Toys - Add at the end of the paragraph, "At no time are these motorized toys allowed on any road within R Ranch".

RATIONALE: Adds clarification that no children are allowed to drive these toys on Ranch roads.

Section 11.23 Enforcement - Add at the end of the paragraph, "Any owner with a concern should file a report in the office to be handled by the Owners' Concerns Committee."

RATIONALE: By adding this sentence, the owners will know where to register a concern.

NEW ARTICLE AND SECTION BELOW

ARTICLE XIV - SITE AND CABIN LEASED PROGRAMS

Section 14.1 - General Information

R Ranch has five (5) lease programs. They are the RV 5 Program, RV 1-4 Program, Chapel Hill Rustic Cabin Program (Adopt-a-Cabin Program and Cabin Rehabilitation Program), RV 1-4 5-year program, and RV 7 5-year Program. Participation in these programs is available to all owners in good standing. Children's Rights individuals are ineligible. A lottery is held with the owners on the first Saturday of each month. Date and time will be posted in the Office of R Ranch and in the Newsletter posted on the internet.

Liability for personal property remaining on a leased site during the duration of the term of the lease contract period will be the owner's responsibility. Neither the Lessee, nor anyone else, may establish the Leased Property or R Ranch as their legal residence or claim homesteading rights. The leased property shall be used and occupied exclusively for recreational purposes. R Ranch is not responsible under any circumstances for the owner's personal property. The R Ranch Management reserves the right to review and decline any lease application. Please refer to the Forms and Agreements Page for a list of forms available at the R Ranch Office.

RATIONAL: The Leased Program is not mentioned in the Policies and Guidelines document, except on the "Forms and Agreements" page. The above language has also been approved by the Accommodations Committee.

CHANGE TO ADMINISTRATIVE DIRECTOR TITLE

Change "Administrative" to "Executive" in the following Articles/Sections:

Article I, Sections 1.10; 1.12 (2 places); 1.18 and 1.23

Article III, Section 3.8

Article IV, Section 4.1.b

Article V, Sections 5.2; 5.3

Article XI, Sections 11.10; 11.12; 11.16 and 11.22

RATIONAL: The Board of Directors recently approved a change from "Administrative" Director to "Executive" Director.

R-Ranch In The Mountains Association
Budget Name: 2010
For the Period From Jan 1, 2010 to Dec 31, 2010

Filter Criteria includes: 1) Types: Income Statement Accounts; 2) Active Accounts. Budget Description:

Account ID	Account Description	YTD Total
41600	Membership dues	814,500.00
42200	Miscellaneous Income	114,000.00
42205	Crosswinds Cash Reserve	88,300.00
60000	Property Insurance / WC	52,800.00
60500	Computer & Program Expe	4,200.00
60540	Property Taxes	96,000.00
62500	Accounting Fees	8,800.00
63000	Legal Fees	15,000.00
63500	Bank / Merchant Fee Expe	9,600.00
65000	Business Fee/Dues/Subscri	1,500.00
65500	Utilities Expense	114,000.00
66000	Office Expense	4,200.00
66500	Telephone Expense	12,000.00
67000	Postage and Shipping Exp	9,000.00
69000	Printing / Copying Expense	7,020.00
70000	Building Office/Maint Repa	5,400.00
70010	Rainbow Cabin Repair Exp	2,100.00
70020	Rental House Repair Expe	2,100.00
70030	Cabin BathHouse Repair E	600.00
70040	RV Bathhouse Repair Expe	1,200.00
70050	RV Area Repair Expense	1,500.00
70060	Stable Repair Expense	3,000.00
70100	Lodge Repair Expenses	10,200.00
70150	Pool Supplies	6,000.00
70500	CBI Expense	600.00
70910	Water Testing Fee Expens	4,500.00
72000	Payroll Tax Expense	31,200.00
72100	Payroll Expense	450,000.00
72200	Health Insurance Expense	33,000.00
76610	Farrier Expense	8,100.00
76620	Feed	1,200.00
76630	Vet Fees/Medicine Expense	9,600.00
76640	Stable Misc. Expense	5,100.00
77500	Vehicle & Truck Expense	3,000.00
89000	Miscellaneous Expense	12,000.00
89100	Trash Removal	8,100.00
89200	Pest Control Services Term	2,580.00
89510	Road Repair Expense	8,100.00
89520	Fuel - Ranch Equipment	11,100.00
89600	Maintenance Supplies Exp	7,800.00
89700	Security Contract	45,000.00
89900	Sales & Marketing Expense	9,600.00
	Revenue	1,016,800.00
	- Expenses	-1,016,800.0

R-Ranch In The Mountains Association
Budget Name: 2010
For the Period From Jan 1, 2010 to Dec 31, 2010

Filter Criteria includes: 1) Types: Income Statement Accounts; 2) Active Accounts. Budget Description:

Account ID	Account Description	YTD Total
Net Income	=====	0.00