

FLYING 'O' RANCH COMMUNITY ASSOCIATION

Annual Meeting

April 6, 2002

MINUTES

Attending Homeowners: Wayne and Debbie Cullen, Rhonda and Steve Journeay, Antonia and Bill Fillingim, Martin Buchnoff, Lou and S.A. Davis, Eric Elliott and Carol Wolf, John and Diane Hughes, Robert Slocum and Karen Shore, Robert Stone, Al and Sally Welch, Lane and Christine Wipff.

Attending for Developers: Stephen Wyle, Tom Wheeler.

Attending Ranch Manager: Greg Sammons

Attending Realtor: Garry Woodward

Stephen Wyle acted as chairman of the meeting and Diane Hughes acted as secretary with assistance from Tom Wheeler. The Chairman declared that a quorum was present, and called the meeting to order at 10:00 AM. He first requested that all present introduce themselves and introduced the Fillingims and the Journeays who had recently purchased Parcels 5 & 4 respectively. Minutes of the Annual Meeting in 2001 were approved unanimously.

Financial Report

Stephen Wyle distributed unaudited financial statements for the year ending December 31, 2001. He explained that the Association had run an operating deficit of around \$3,000 each year for the past two years, after required funds had been transferred to the Reserve Account. He then explained details of the financials including the expense breakdown and how reserve funds are allocated. Significant increases in expenses were in the areas of utility expense and property taxes. The Chairman explained that utility increases were a result of the power crisis and PG&E's current situation. The property tax increase was probably a result of the clubhouse, which would not have been considered in the previous property tax bill. A question was raised concerning the makeup of a \$3,900 amount for "Repairs and Maintenance". Subsequent to the meeting it was determined that this amount is a "catch-all" for small charges not otherwise classified. There was no single item that constituted a large part of this amount. The proceeds from the cattle-grazing lease were approximately 50% of the amount for 2001. The amount for 2001 represented both the amounts for 2000 and 2001. The Chairman explained that the lease was at or near the market for such leases.

He then stated that the change to dues payment on a quarterly rather than on a monthly basis seems to be successful. As of the date of the meeting, there were no significant delinquencies.

Given the changes, Stephen Wyle stated that it would be a good idea for the budget to be revised to reflect current allocations, and that the reserve budget be reviewed due to the addition of the clubhouse.

Assessments (Dues)

As the Association has now run at an operating deficit two years running, Stephen Wyle proposed an increase in monthly homeowner dues of \$9.00 to \$75.00 effective July 1, 2002. This increase will bring in an additional \$3,564 per year, which should cover the deficit. A motion was made and seconded to increase the present dues to the rate of \$75.00 per month effective July 1, 2002; the motion passed unanimously.

Fencing Expansion to include Lots 33 and 34

The expansion of the fence to include the two southernmost parcels was approved at the 2001 Meeting. Tom Wheeler presented a progress report on the project. One section of the fence has been completed at no cost to the owners.

Madera County Administration of Williamson Act

The membership agreed that the form required by the Assessor's office for Williamson Act property was exceedingly confusing. Tom Wheeler offered to complete a sample form next year and to distribute it to the membership. Tom Wheeler, as president of the Coarsegold Resource Conservation District, has worked to implement a "super-Williamson Act" that has been adopted by other counties. Initially, Madera County has turned this down as not meeting the guidelines. He continues to pursue this issue.

Discussion and Resolution Regarding the Design Committee

Stephen Wyle began by discussing the original objectives of the Flying-O, and how the CC&Rs attempt to achieve those objectives. In general, the goal was to preserve, as much as possible, the sense of a large undeveloped tract of land. The Design Committee, as constituted by the CC&Rs, attempts to achieve this end by ensuring that changes to individual parcels will, to the extent possible, not have an adverse effect on other parcels. The Committee also serves as an advisory body to help avoid building on unsafe sites, and can advise on other matters. The intent is not to pose unreasonable restrictions on building. On the contrary, the current committee has tried to impose the least burden on owners consistent with maintaining the objectives of the Flying-O. Unlike other developments where many houses are visible to each other, the terrain of the Flying-O allows flexibility, since many houses are hidden by terrain. The topography of the ranch also shields the view of most of the intense development to the north and northwest of the ranch. The concept is that it is possible to build 33 homes harmonious to the environment. However, it will not be possible to hide all structures from all points of view.

The Chairman pointed out that in several cases construction has occurred on sites without first informing the Committee. The requirement for notification and the notification process is described in the CC&Rs. From this point forward, in the interest of all parties, all proposed changes to parcels (as this is defined in the CC&Rs) must be submitted in writing to the Design Committee before such changes are initiated. In the event that changes are already underway, and written notice was not sent to the Committee previously, such notice should

be given to the Committee immediately in writing. He pointed out that under the terms of the CC&Rs, approval is deemed to be automatically given if the party submitting proposed changes does not receive an answer from the Committee within 45 days of submission.

The Design Committee consists of Stephen Wyle and Tom Wheeler as permanent members and a third member to be elected by the other owners. As of the date of the meeting, Al Tichenor was the third member. Stephen Wyle suggested that this member be elected at each Annual Meeting, with the developer's representative abstaining, and proposed that an election be held at this time. Nominees were Al Tichenor (in absentia) and Lane Wipff. Lane Wipff was elected to the committee until the Annual Meeting in 2003.

Garry Woodward stressed the importance of considering the distance to power and position of a well and septic field during the home planning process.

Bob Stone discussed his discomfort with design committees that expand the scope of their authority and impose onerous restrictions on homeowners. He cited an unsuccessful attempt to prohibit a particular builder (Western Homes) at Yosemite Lakes Park. Lou Davis stated that he purchased because of the CC&Rs. Eric Elliot stated that they bought because of the CC&Rs – to prohibit encroaching development. Stephen Wyle reiterated that the function of the committee is to minimize the impact of improvements on the general environment, and was not constituted to impose severe design or construction restrictions.

Telephone Service for Clubhouse

The homeowners voted to provide telephone service for the Clubhouse. Long distance service will not be available on this phone in order to prevent abuse. It will be possible to make long distance calls using credit cards, etc. The cost of this telephone will be borne by the Association.

Miscellaneous Business – Lock for Dumpster, Changing Padlock, Information Dissemination, trash removal and Speed Limit

The membership agreed to have a combination lock (same combination as northwest gate) installed on the dumpster which is filling up due to unauthorized use. Carol Wolf asked for more information regarding maintenance and development at the ranch such as the Sierra-Tel installation. The members discussed the formation of an email group.

The owner's roster will be updated and distributed to the membership.

Sally Welch asked whether the old tires and other items in the creek bed below the dam could be removed. Tom Wheeler explained that the items were there from before the Wyles purchased the Flying-O, and disposing of trash in this manner was formerly common practice. He agreed to get a bid on removing the items, and report back to the Association.

A 20 mph speed limit was instituted throughout the ranch, following a discussion of concerns about speeding on the ranch roads. Tom Wheeler agreed to have a sign made for each entrance to the ranch posting this speed limit.

Tom Wheeler Report: Flying O History and Brief Description of Contiguous Parcels

In response to an earlier request, Tom Wheeler presented an extensive report on the history of the Flying-O and adjoining parcels. This discussion was videotaped, and may be available from Lane Wipff.

Tom distributed handouts about the MADERA COUNTY 1997 VOLUNTARY WATER QUALITY, GRAZING LAND, OAK WOODLAND CONSERVATION MANAGEMENT GUIDELINES published by the Coarsegold Resource Conservation District, Septic System Management and the harmful non-native Yellow Star Thistle. Through CRCD, he has obtained a \$400,000 grant to brush and burn land near North Fork.

2003 Annual Meeting

It was proposed that the 2003 Meeting be moved to the second weekend in April rather than the first weekend as was decided during the 2001 Meeting. Following a motion, which was duly seconded, the members voted unanimously that the 2003 Annual Meeting will be held on April 12, 2003 at 10:00 AM.

The meeting was adjourned about 12:15 pm.

Respectfully submitted

Diane Hughes – Acting Secretary