

Flying-O Ranch Annual Meeting Minutes (draft)

The meeting was scheduled for 10 AM on April 3, 2004 at the Flying O clubhouse.

Present at the meeting were:

Developers: Stephen Wyle, Frank Wyle, Tom Wheeler

Owners: #1 Wayne Cullen, #2 Diane and John Hughes, #3 Debra and Dave Sprinkel, #4 Rhonda and Steve Journeay (via phone), #5 Joe and Jane Latkovich, #6 Carol and Mike Wagner, #7 S.A. and Lou Davis, #8 Lesley and Chris Lovelace, #9 Denise and Jonathan Franks, #11 Andy and Lyn Mitchell, #13 Steve Wickler, #18 Bob Stone, #19 Debra Slaybaugh, #21 Bette Chase, #22 Paul and Andrea Bergman, #24 Mickey and Susan Rappaport, #26 Chris and Lane Wipff, #17 & #28 Sally and Al Welch, #29 Jan and Ernie Beck, #30 Erin and Myke Ruiz, #31 Carol Wolf and Eric Elliott, #32 Karen Shore and Bob Slocum, #33 Melinda and Al Tichenor, #34 Beverly Buchnoff.

Ranch Manager: George Ellis

Realtor: Garry Woodward

The Chairman (Stephen Wyle) called the meeting to order at 10:10. He yielded the floor to Chris Wipff at her request. Chris presented commemorative Flying O posters signed by many of the owners to Stephen to Tom Wheeler as thank you gifts for their vision and work in bringing the Flying O to its current completely sold state.

Stephen introduced the then-current Board of Directors of the Flying O Owners Association and gave a brief description of the history and the community. He requested the owners reelect Board members with staggered two year terms.

1. Approval of minutes from the 2003 Annual Meeting

The Chairman called for approval of the previously circulated Annual Meeting minutes. They were approved by acclamation.

2. Financial Report

He next distributed financial statements for 2003 and provided an explanation of some of the basic methods, accruals, and categories for the benefit of the new owners. There were many questions on the various costs of operating the Flying O and a discussion relative to various aspects of the report and how the finances were being documented. Many people expressed opinions about how the categories were chosen and so on. It was determined that the new board would call for volunteers to participate in a new Finance committee to better document the processes used and the finances, as well as to improve the access to, and transparency of the financial information for the owners. After discussion, a motion was made, seconded and approved to adopt last year's budget for the current year. A motion to keep the dues at their current level, \$75 per month paid quarterly in advance, was made, seconded and passed.

3. Election of Board of Directors

The board consists of five members. Voting is done by secret ballot, and cumulative voting may be used. The Chairman explained the process of cumulative voting to the membership. Each parcel has five votes to spread among up to five nominees. The Board consists of the five Nominees receiving the highest vote counts. Stephen Wyle decided to abstain from voting at this meeting, even though as the owner of community parcel he is eligible to participate in the vote. The Chairman described the process and the duties and noted that in addition to the Board there were additional opportunities to serve on subcommittees like the Barn Committee, the Design Committee and the newly proposed Finance committee.

The Chairman also suggested that the term of some of the board positions be changed from one year to two years in order to promote stability of the Board. There was some discussion of this proposal. John Hughes stated he felt the owners were capable of keeping stability if desired by reelecting board members as needed but that if the owners wanted a change they should not be restricted from making one. No clear decision was reached although it was agreed that those Board members who wanted to continue to serve would be welcome to and were immediately nominated at their choice. Stephen Wyle, Debra Slaybaugh and Ernie Beck decided to run for reelection. Tom Wheeler and John Hughes decided not to run but both offered to serve through other volunteer committees as needed. The floor was opened for additional nominations.

Nominations were accepted for Stephen Wyle, Ernie Beck, Debra Slaybaugh, Carol Wolf, Leslie Lovelace, Paul Berman, Mickey Rappaport and Lane Wipff. All nominated candidates were welcomed and asked to make a statement of their intents and qualifications which they did after which written ballots were filled out.

The ballots were counted by Garry Woodward and George Ellis. The top four vote getters were Stephen Wyle, Carol Wolf, Lane Wipff, and Debra Slaybaugh. There was a tie for the final position between Paul Bergman and Mickey Rappaport. It was agreed that they could work out between them who or how they would serve. They decided to share a single vote in order to both stay involved and bring both of their abilities to the Board.

4. Election of Barn Committee

The Barn Committee consists of 4 members elected by the assembled owners and one member delegated by the Board. The Chairman described the process and noted that in the past the owners had chosen to elect at least one "non-horse" person to the Barn Committee in order to make sure that all interests were represented. Andy Mitchell asked for clarification of the duties of the Barn Committee which was given before the floor was opened for nominations.

Nominations were accepted for Joe Latkovich, Chris Lovelace, Leslie Lovelace, Debra Slaybaugh, Rhonda Journey, Karen Shore, and Eric Elliott. All nominated candidates were welcomed and asked to make a statement of their intents and qualifications which they did. John Hughes spoke for Rhonda Journey who was present via telephone.

The top four vote getters were Leslie Lovelace, Karen Shore, Eric Elliott and Joe Latkovich, the new Barn Committee.

5. Election of Design Committee

The Design committee consists of three members. In the past it consisted of the developers, as represented by Stephen Wyle and Tom Wheeler, and one member elected from among the owners. As all parcels have now been sold, or were in escrow, the design committee will consist of three members elected by the assembled owners. The Chairman gave a brief description of the duties of the Design Committee and the floor was opened for nominations.

Nominated this year were John Hughes, Tom Wheeler, Ernie Beck, Al Tichenor, Lane Wipff and Eric Elliott. The top three vote getters were Tom Wheeler, John Hughes and Lane Wipff, the new Design Committee.

6. Discussion and proposals to the membership relative to changes in governance of the Flying-O Association.

The Chairman opened a discussion of the issues around the change of governance from the developers to the owners now that the project has sold out. He reviewed the current process in general and enumerated the duties involved. The discussions covered the following scheduled topics:

- a. Bank Account
- b. Responsibility for collection of Association Dues.
- c. Bookkeeping
- d. Accounting
- e. Insurance
 - i. Liability and D&O Insurance for the Association
 - ii. Liability Insurance for Landowners.
 - iii. Liability waiver for the Cattle Easement Area

Stephen offered to continue to perform these functions for the association for a fee of \$400/month. Discussion ensued. Several owners offered to do the accounting, bill paying, dues collecting, and so on. There was more discussion around who would do it, how much it was worth, and exactly what are the duties. Since the process is not currently documented nor well understood the members agreed that they could not place a dollar value on these services at this time nor assign the best method and people to perform the duties. It was agreed to have the board and finance committee work that out after looking further into what exactly is involved and documenting the process, duties, and issues.

There was more discussion of issues around the transfer of knowledge and expertise from the developers to the association in order to continue the good maintenance and services forward. Topics covered included:

- Legal aspects of the Association and questions about our structure (corporation, co-op, what?)

- What are our legal and tax obligations?
- How do we enforce Association rules on non-compliant owners?
- How long do the developers intend to be involved on the board or act as consultants?
- Would the Association like to maintain an Internet presence using FlyingORanch.com?
- Will the developers be willing to turn over the logo and other graphics to be used by the board?
- Request for a written statement in the board minutes that no work can be done on anyone's land without the owners' written permission.
- How to procure ranch-wide burning permits
- Maintaining links to funding for brushing
- How can we maintain / transfer the knowledge of County politics re the Flying O and are we vulnerable to attack by road builders, etc.?
- Secrets of road and culvert maintenance

The discussion was lively and almost all members participated actively. The net result was that we agreed we want the developers to stay involved at least long enough to train more of us in these and other aspects of the Flying O. We agreed in general that the new Board would set up specific programs and would try to document as much as possible of the operation and management of the Flying O.

f. Maintenance of Common Areas.

The Chairman reviewed the terms of use for the common areas including Parcel 27 and the Cattle grazing easement and the common roads. He also specifically covered the requirements incumbent on the association to keep those areas maintained. The requirement to maintain the roads is driven by county rules for access and maintenance. For the common area in Parcel 27 the requirement is that, in return for the use of those areas, the Association is required to maintain the common area parcel and its improvements (Barn, ranch managers house, wells, clubhouse, pond, etc). If we fail to maintain those adequately then the owner (Stephen Wyle and his sister) may choose to not allow the Association the use of those facilities. Also, any additional or new improvements made to the common parcel become and remain the property of these owners of parcel 27.

g. Grazing lease

(Discussion deferred to agenda item #9 below)

7. Discussion of issues related to the clubhouse.

The Chairman opened the floor to discussion of the issues that have been raised by various owners and users of the clubhouse over the last year. He reminded the owners that sleeping overnight in the clubhouse was not allowed, nor was dumping. The owners noted how much we (the Association) pay for maintenance of the clubhouse and various speakers pointed out that it would be prohibitively expensive to hire a cleaning crew after every use and therefore owners must take more responsibility for cleaning up after themselves, both for the enjoyment of the owners and to keep access to it available to owners under the terms of the

use agreement with Stephen and his sister, the owners of Parcel 27. Finally, the Chairman noted how much we are paying for the utilities, propane and electric, in the clubhouse. Several owners spoke of finding the door open and/or the air conditioner or heater running when no one was using the facility. A proposal was made, seconded and approved to have the Board get a timer installed on the thermostat to help reduce this expense and have the system turn itself off after some period of use, in case the user leaves and forgets to shut it off.

Someone proposed we begin a Clubhouse Committee, with a budget to maintain consumable supplies, purchase appliances, equipment or furniture when needed (for example to build up supply of stackable chairs and fold-up tables). They would also be responsible to select and maintain recreational equipment (volleyball, horseshoes, etc.), maintain a schedule of events, supervise the maintenance crew, pass judgement on offers of cast-off furniture and help plan and support annual Flying O Association events. The owners agreed to defer this to the Board to call for volunteers to participate in this committee as desired.

8. Barn Committee report.

Jan Beck gave a brief report of the accomplishments and duties of the Barn Committee in the last year. They were able to develop a set of written policies, rules, fees, and proposed improvements. They also worked to fix up and maintain parts of the facilities themselves and worked with Candy Ellis to set expectations and procedures. At this time the proposed improvements, which include Isolations pens, a new round pen and several maintenance projects have been forwarded to the Board. At this meeting the idea of adding a Hay barn was also raised.

9. Cattle Grazing on the Flying-O

The chairman offered the floor to Leslie Lovelace to lead a discussion among the owners regarding a choice we might make to allow grazing of owners horses outside their fenced area, in the Cattle Grazing Easement. Leslie presented a proposal and described the logic and the pros and cons of that option. This led to a very lively discussion among the owners, both in favor of the idea and opposed to the idea. The developers answered questions about the potential impacts of this option. Tom Wheeler expressed the opinion of the Wyle Circle O ranch, our current grazing lease tenant, that this option would reduce the net value of our ranch for grazing. The Chairman noted that this was a significant consideration as the owners realize significant financial benefit from the grazing lease and that lease income would need to be made up elsewhere. Leslie suggested a grazing lease fee on the owners turning their horses out would be a reasonable option. Several owners asked questions or expressed concern about the impacts of loose horses on other users, both on horseback and on foot, noting that horses are often more "friendly" than cattle. It was a very good discussion that raised many issues and ideas. The group agreed to end the discussion and defer it for further consideration by the owners and the Board.

10. Such other business as may come before the meeting.

The Chairman asked for additional business and several owners responded.

John Hughes asked for the floor to poll the owners for their opinions on several issues, with the idea of looking further into those issues that the owners favor after this meeting and reporting back via email with the data necessary for the owners and Board to decide. The issues he polled the owners on were:

- a. Open Board Meetings and open minutes available on the Flying O web site.

A few owners expressed interest in listening in on meetings and all expressed interest in having minutes available on the web site. The Chairman reserved the right for the Board to have private executive session and pointed out the high cost of additional teleconference lines. Lou and S.A. Davis very helpfully recommended the free conference calling system they use and pointed out that many are available now. Consensus: positive.

- b. Having the owners take over the Flying O web site, Domain name and Brand from the Developers.

Several people expressed interest. There were no general objections raised. Several owners suggested we make sure to control the costs of hosting the site, that we automate the calendar and more capabilities of the site, that we allow owners to post their own information or stories directly in lieu of the newsletter Chris Wipff voluntarily published for us in 2002. Consensus: positive.

- c. Removing the billboard on Road 200 now that the ranch is sold out.

The developers agreed and noted it would be down as soon as possible.

- d. Adding an electric gate at the lower entrance like we have at the upper entrance.

The owners liked this suggestion. Some owners pointed out the distance from power would require a solar powered gate, raising the cost slightly from that paid for the upper gate. Owners suggested single-day or temporary codes for realtors, contractors and other visitors. Tom Wheeler noted that additional remotes were available for the new owners and those who required another. He noted that George Ellis now has those and is responsible for the programming of them. It was also noted in the discussion that since all common ranch roads (excluding driveways) have been offered for dedication, the front gate can only be locked by unanimous agreement by the owners. Consensus: positive.

- e. Adding another dumpster near the top gate to supplement the dumpster capacity available on the lower road out to Road 200.

Several owners liked this idea and there were no big objections at this point but questions were raised about where the dumpster would be located, how it would be accessed inside the gate, whether the current waste company services that far away and so on. Consensus: conditionally positive.

John Hughes agreed to look further into all of these options and collect the data needed for the owners to make an informed decision before bringing formal proposals to the group. It was agreed that any significant proposals would be handled by email communication and would not require waiting until the next annual face to face meeting.

Debbie Sprinkel suggested we look into getting an aerator for the pond. Al Tichenor suggested we be careful about that due to issues he has experienced with aerators. Al and Dave Sprinkel agreed to get together to discuss and look further into this idea if warranted.

Mickey Rappaport brought up several ideas including creating a directory of the talents available among the owners to help encourage a "village" effect in our Flying O community as well as looking into forming a buying co-op in order to get group rates on some of the commodities we need as owners. He also proposed a Social Committee to help us build that community and get together more. The owners agreed by consensus that Mickey could lead that committee and that the Board should include this among the new sign-up committees they will call for.

There being no further business, the meeting was adjourned.

John Hughes – Secretary