

**R-RANCH POA ANNUAL OWNERS' MEETING AND ELECTION MINUTES
July 1, 2023; KLAMATH LODGE & VIA ZOOM**

**President - Mark Osborne 1st Vice President – Mark Grenbemer
2nd Vice President – Robert Tennies 3rd Vice President – Jason (Jay) Adams
4th Vice President – Travis Morgan
Secretary – Emilie Simmons Treasurer – Curtis Hancock**

1. WELCOME AND INTRODUCTION

President Mark Osborne called the meeting to order at 10:00 a.m. He introduced Lisa from The Ballot Box.

Lisa announced that ballots would be accepted until noon and results given shortly thereafter.

2. PLEDGE OF ALLEGIANCE

Pledge of Allegiance was led by Mark O.

Six Board members and a quorum were present.

Members present were:

Mark Osborne	–	President
Mark Grenbemer	–	1st Vice President
Robert Tennies	–	2nd Vice President
Jason (Jay) Adams	–	3rd Vice President
Travis Morgan	–	4 th Vice President
Curtis Hancock	–	Treasurer
Emilie Simmons	–	Secretary (via Zoom)

No Board members were absent.

Heath Kauffman, General Manager, was present.

3. FOR THE RECORD

Mark O. read aloud the following: “This meeting is being recorded. By attending, you are consenting to being recorded. Recordings can be made available to owners in good standing.”

4. REVIEW AND SET AGENDA

The Agenda was reviewed. With no changes requested, the Agenda was set as presented.

5. **FINANCIAL REVIEW**

Curtis reported that there are currently 724 shares. Forty-nine shareholders are on the payment plan. There are 319 delinquents and 537 in collections/deceased. The Ranch owns 871 shares.

We have sold 27 shares so far in 2023. It is crucial to the budget that an additional 30 shares be sold this year to keep on track.

Treasurer Curtis Hancock went over the Financial Report as of 6/29/23:

- Operational – \$ 238,259.01
- Trailer Storage Account – \$ 53,505.74
- Cattle Lease Pre-paid – \$ 40,000.00
- Pre-paid Assessments & Cell – \$ 285,440.24
- Reserve Account, E.J.M.M. – \$ 59,243.22
- Fire Ins. Payout: E.J. Fire – \$1,170,474.41

Curtis reports that Robert has brought to his attention that there is an online site reporting that Curtis has received \$17,993 compensation from the Ranch which they claim was reported on their 2021 taxes as Treasurer. It also has Robert Tennes and Don Fukushima's names on it with zero compensation. Curtis was not on the Board in 2021. He became Treasurer in May of 2022. He has never received any monies from the Ranch nor 1099. This information is out there and on this website. At this time no one knows how this got in a report. He insisted the Board investigate the matter and provide him with a written report. He reserves the right to protect himself legally. Anyone who has questions is welcome to contact him. His email is on the Ranch website, and he'll gladly give out his phone number. He personally thanks whoever found this information and Robert who brought it to his attention.

Mark G. stated that the Board is behind Curtis and will investigate.

Robert says this is new information received by the Board today. Robert is concerned as to what, if any, repercussions could come from the IRS to both Curtis individually as well as the Ranch based on this report. There was a discussion held by those present at the meeting. Although the Ranches' CPA quit in November 2022, Curtis believes he will help with the investigation. The Ranch is working on finding a replacement for CPA. A discussion was held.

Patricia Marie Shaw, Share #0198

Patricia believes microphones should always be used so that the audience can hear every question.

Q: Could we have a deadline for the investigation, so it does not drag on?

A: Curtis agrees with this and suggests a deadline for an answer within 60 days.

Les Lundgren, Share#0913

He would like to make a motion that the investigation is done within 60 days. Also, wants to know if the entire Board would see the official tax return for 2021.

Jay makes a motion that this matter be resolved within 60 days. The motion was seconded by Travis. A discussion was held.

Barbara Dalmau, Share #439

Has been an owner since 1973 and has been an executive banker for almost all her life. This is not an IRS website it is a ProPublica website. ProPublica gathers information from other websites. The Board can make a motion to resolve this matter within 60 days but all you can control is when the investigation begins. You cannot have a deadline to resolve it as this is not a website you can control. Also, the IRS will not necessarily respond within 60 days. It can take well over a year for an IRS resolution. Everyone needs to calm down a little bit and respect what the board is doing. This could just be from a clerical error to something this website posted.

Robert is concerned about any potential audit. Whether true or not, this could cause problems with the IRS for those named in the report.

Curtis reported that all current board members are listed on the 2021 tax form which is on the website. Five of these board members were not even on the board in 2021.

Bob Myers, Share #960

Q: Who filed these papers that reported this information? Did the Board know it was filed?

Mark O: Yes

Q: Who filed it?

Emilie states that the form that was filed for 2021 was filed on November 15, 2022. Emilie was at Headquarters the day they were filing this form. It was brought to her as secretary to sign. When you file your taxes, you list who are the current board members at the time of filing. So, the current board members in November of 2022 are what that tax filing will show even though they weren't the board members for 2021.

Renate Harvey, share #1741

Renate was a board member of her HOA for six years, and anytime her name went on a form she made sure she read what the form was. Suggests that when taxes are filed the board members have a meeting and look them over before submitting. The website in question states Curtis received payment from the ranch; this could easily be a hoax. She thinks there should be a full audit.

Q: When is the last time that all the Ranch books were audited? On the Financial Report, it shows that in December we had \$285,000 in paid assessments.

However, at the end of June, it only shows an additional \$440. I paid over \$1,200 in June for assessments. The numbers don't add up and she requests a full audit by a CPA.

Mark O.: That account isn't the assessments. The assessments go into the Operations account.

Judy Tennes, Share #118

Q: Why do we not have a CPA and where did they go?

Curtis: CPA quit as of November 2022 because he didn't want to do our work anymore. But he did leave on good terms. When we have a new CPA, he is ready to hand over everything he has and work with them to help. We have been looking for a replacement CPA. Apparently, a non-profit organization is not appealing to a CPA. We do have a positive lead on a replacement this past month and hopefully, they will accept the Ranch as a client. He is the same CPA who has KRCE as a client. The last full audit was done four years ago, and our last CPA advised us to do a review and not a full audit.

Patrick Iler, Share #894

Concerning the 2021 tax filing, whoever from the Ranch has access to our IRS account needs to contact IRS to verify what was filed. This shouldn't take very long.

Unidentified Owner

Q: 319 delinquent shares. What is being done about that?

A: The person who had been handling this no longer works for us. We have someone lined up to take this over sometime next month.

Q: You stated there was \$285,440 in the second reserve account?

A: That includes 2024 prepaid assessments.

Q: How much of that \$285,440 was prepaid assessments?

Curtis: I do not have that amount available at this moment. I'm guessing about \$20,000. Those prepaid accounts get held in this account until the year they were meant for. At that time, they are transferred to the Operations account with a small three percent (3%) going to the reserve account to help build that back up.

Bob Myers, Share #960

Q: It appears we do not have enough money in the Operations account to make it through this year.

Curtis: As I stated previously, if we don't sell those additional 30 shares, we will not have enough money to make it through the year. Nothing has been hidden and I have been very clear about this. When our insurance went from \$60,000 to \$285,000 per year, our budget got hit hard. Nobody is trying to hide this fact. Until prepaid assessments/insurance amounts change, our situation is not going to change.

Robert stated that the board has been saying what we are going to do about this increased insurance premium for two years and it has not been addressed. Until we are willing to address and state what needs to happen it's not going to turn

around. The other issue is there are 319 delinquent shares. These are the issues I have been concerned about for quite some time, but we have neglected to do anything about them. Until we address this and really start talking about it and doing something about it, things are not going to change.

Curtis: I'm all for assessments to do it, but on the board, you must represent all opinions, not just your own. The math side of it is that if you decide to do an assessment you can only do it for a percentage increase of what was budgeted for the prior year's budget. Doing this would not even come close to what is needed. If you do a large assessment, we will lose more members. Although I'm in favor of it, this would happen.

Judy Tennes, Share #118

Q: Why can't the Owner who was doing our collections continue instead of hiring an outside person?

A: He is now retired and for other reasons could not do it.

Jay changes his previous motion to start the investigation within 15 days.

Motion is seconded by Travis. Motion passed by the following votes: Mark O.

(Yes); Jay (Yes); Curtis (Yes); Robert (Yes); Mark G. (absent from room); Travis (Yes) and Emilie (Yes).

Renate Harvey, Share #1741

She has been a member since 1995. She would like the site limitations on the Klamath River changed. There are currently only 10 that are 120-day sites. 240 and 244 are in direct sun with no shade and no one hardly ever camps there. Sites 256 and 260 are shaded and near the waterfront. We travel 400 miles to find sites 256 and 260 taken up by local people. They come on April 28 when it opens and set up their camp. 120 days started Mother's Day through September sometime. They travel 400 miles and have to move our camp every 30 days. Those camped in 256 and 260 only come on the weekends or not at all. On one of those 120-day sites, no one showed up for 30 days straight. She checked every day. She requests this rule be looked into and changed.

Mark O.: Mark O. stated that since he has been a member and, on the board, he has heard this argument every year, and there is never a resolution. He doesn't know what the resolution is going to be. There's not a good answer. There are things happening at the Ranch all the time that Owners are not aware of, and cannot be made aware of, due to confidentiality. He thinks maybe the fines need to be raised. The board has been working with the attorney to not only get people off the Ranch who should not be here but to also take them to small claims court and get money judgments. This has not been done for decades.

Curtis thanked Robert for his time on the board. He has not only been a board member with great ideas and momentum, but he has also served on committees and other volunteer work.

Joe Brocamp, #1893

Q: What does it take to change the rules in the brown book?

A: The Board can do it.

Q: Why don't you change the rule from 120 to 30 days and off the property for one day?

A: We have Bylaws to follow. It's a difficult process.

Robert: He is sitting on the Strategic Planning Committee which is focusing on the future of the Ranch and what happens down the road one, three, or five years and how to develop and design that. The idea is that we have three classes of Owners: 1)The 210 people who stay; 2)Local people that can use the Ranch every day if they choose to do so; and 3) Vacationers that live farther away and can only come when they can. He has an idea to make it equal and fair to everybody where some people may have to pay more, but they use the Ranch more. He would like to see the Strategic Planning Committee come up with a plan, after feedback from the Owners.

Curtis gave a reminder that noon is the deadline for ballots to be put in.

Bob Myers, Share #960

The river sites were all 30-day sites when I was on the Board. How and when did it get changed?

Mark O.: When I joined, I was given a map stating 120-day sites and not 30-day sites. The Strategic Planning Committee is working on changing the Brown Book. The board is constantly in meetings and is working on positive changes.

Mary Ingram, Share #245

River sites have a lot of brush and after the dam removal things are going to change.

Curtis: Heath works with Fish & Game on brush removal. There's a plan to deal with this in the summer. An Owner cannot remove anything along the river.

Mark O. called for adjournment at 11:45 to allow Owners to turn in their ballots.

Mark O. called the meeting back to order at noon.

6. **STRATEGIC PLAN INTERACTIVE PRESENTATION**

Mark G. first announced that this presentation would not be interactive due to time constraints. Members of this Strategic Planning Committee are as follows: Mark G., Patrick Iler, Barbara Dalmau, Mark Perry, Heath, and Curtis.

Lisa of The Ballot Box interrupted the presentation to announce the following election results:

CANDIDATES	VOTES	DIRECTORS ELECTED	TERM
Mark Osborne	173	Mark Osborne	2025
Wes Husted	157	Wes Husted	2025
Patrick Iler	162	Patrick Iler	2025
Curtis Hancock	78		

WRITE-INS WITH VOTES			
Lynn Denby	1		
John Jolley	2		
Leonard Carter	1		
Jay	1		
William Harvey	1		
Robert Tennies	1		

Mark G. continued with his report. The committee is working on a roadmap to include the timeline we are looking at. We are looking at what the needs are for today and in the future.

Patrick thanks those who voted and advocated for him. We have been working on what the needs are for today and in the future. The committee wants to create continuity between the new board and the Owners. The planning committee gives a vision, and we then decide on a mission to make that vision happen.

Barbara Dalmau gave a report on what they had come up with as the core values for the Ranch. Barbara pointed out the posters around the room naming each core value. She had stickers passed out and invited everyone to put them on the values they were most concerned with and to put comments if necessary.

Robert Tennies further reported that all Owners need to have these core values. The committee has put together a plan of what they want to see. It is the Owners responsibility to follow these core values. We need to think about where the Ranch will be in one, three to five years. As Hornbrook has a tainted reputation, maybe Owners need to get involved in the local community and help turn it around. He then spoke on infrastructure. We've talked about maintenance and finances. How do we attract new Owners? Staff training and retention? These are things that we are working on.

Mark G. closed the presentation by saying it is all a work in progress. At this point, the committee has only resolved the mission and vision statements and those have been adopted.

Mark O. called for a recess at 12:40. Meeting is to reconvene at 1:00. He asked for a volunteer to chair the Owners' meeting. Jean Claude Etallaz, Share #943, volunteered.

The Annual Owner Meeting was held from 1:00pm to 2:05pm. Discussion was held amongst Owners on a variety of topics.

Mark O. called the meeting back to order at 2:10 p.m.

7. FOR THE RECORD

This statement was read at the beginning of the meeting by Mark O. (see #3, above).

8. **RING THE BELL/MOMENT OF SILENCE**

Wes Husted rang the bell for the following deceased Owners: #2368 Roger Patterson; #2136 Deena Kirby; and #0414 Denice Peery.

9. **ANNOUNCE ELECTION RESULTS**

Mark O. announced the newly elected Board members: Wes Husted, Patrick Iler, and Mark O.

Mark O. made a special announcement on behalf of Wes. Unfortunately, due to personal reasons which were not known during the voting process, Wes has resigned. Wes wants to thank everyone who voted for him.

Because of Wes' resignation, Curtis was next in line for votes received. Curtis will be rejoining the Board if he accepts. However, Curtis is absent from the meeting currently. Someone is out looking for him.

Emilie makes a motion to bring back the 50/50 sale during the month of July with a share price of \$1,883. Patrick Iler seconds the motion. Discussion was held and the motion was carried via the following vote: Patrick (Yes); Mark O. (Yes), Jay (Yes), Travis (abstain), Emilie (Yes) and Mark G. (Yes).

Mark O. called for a recess at 2:40 p.m. to allow time to locate Curtis. The meeting will reconvene at 3:00 p.m.

ANNUAL ORGANIZATIONAL MEETING OF THE BOARD

1. **CALL TO ORDER**

Mark O. called to reconvene the meeting at 3:27 p.m.

2. **PLEDGE OF ALLEGIANCE**

Pledge of Allegiance was already done earlier this morning.

3. **FOR THE RECORD**

This statement was read earlier this morning by Mark O.

4. **INTRODUCTION OF BOARD MEMBERS**

This was done earlier by Mark O. Curtis has rejoined the meeting. Mark O. asks Curtis if he will come back on the board as runner-up due to Wes' resignation. Curtis stated he will accept if he can remain Treasurer.

5. **ORGANIZATION OF THE BOARD**

Discussion was held as to who would hold which positions.

Jay makes a motion for Mark G. to serve as President. Travis seconds the motion. After discussion, the motion passed by the following votes: Mark O. (No), Emilie (No), Patrick (Yes), Curtis (No), Jay (Yes), Mark G. (Yes), Travis (Yes).

Curtis makes a motion for Mark O. to serve as 1st Vice-President. Emilie seconded the motion. The motion passed by the following votes: Mark O. (Yes), Emilie (Yes), Patrick (Yes), Curtis (Yes), Jay (No), Mark G. (Yes), Travis (abstain).

Emilie makes a motion for Curtis to serve as Treasurer. Mark O. seconded the motion. The motion passed unanimously by the following votes: Mark O. (Yes), Emilie (Yes), Patrick (Yes), Curtis (Yes), Jay (Yes), Mark G. (Yes), Travis (Yes).

Jay makes a motion for Emilie to serve as Secretary. Travis seconded the motion. The motion passed unanimously by the following votes: Mark O. (Yes), Emilie (Yes), Patrick (Yes), Curtis (Yes), Jay (Yes), Mark G. (Yes), Travis (Yes).

Curtis makes a motion for Travis to serve as the 2nd Vice-President. Travis seconded the motion. The motion passed unanimously by the following vote: Mark O. (Yes), Emilie (Yes), Patrick (Yes), Curtis (Yes), Jay (Yes), Mark G. (Yes), Travis (Yes).

Travis makes a motion for Jay to serve as 3rd Vice-President. Curtis seconded the motion. The motion passed unanimously by the following votes: Mark O. (Yes), Emilie (Yes), Patrick (Yes), Curtis (Yes), Jay (Yes), Mark G. (Yes), Travis (Yes).

Curtis makes a motion for Patrick to serve as 4th Vice-President. Travis seconded the motion. The motion passed unanimously by the following votes: Mark O. (Yes), Emilie (Yes), Patrick (Yes), Curtis (Yes), Jay (Yes), Mark G. (Yes), Travis (Yes).

Mark G. asked if there was any further business or announcements from the board.

Emilie reported that she did some preliminary research during the meeting concerning Form 990. She found that it was a ProPublica website by reporters who try and find something wrong and report it on their website. It has a disclaimer that they do not review the documents. The form they shared on their site has no signature. Emilie shared the actual Form 990 which had been signed. It appears this information posted is false. The Board will investigate further and provide their results.

6. SET NEXT MEETING DATE AND TIME

The next meeting date was not set.

7. ADJOURN

Mark G., hearing no objections, called the meeting for adjournment at 4:12 p.m.

Minutes taken by Georgia Toms

***Minutes approved by unanimous vote of the Board on 7/25/2023
Respectfully submitted by Emilie Simmons, Board Secretary***

Emilie Simmons