

**Ranch Cabin Association of Unit Owners
Annual Owners Meeting Minutes
Saturday, October 22, 2016
Located at the SROA Board Room at 9:00 A.M.**

These minutes are subject to change upon approval at the next scheduled Annual Meeting

Call Meeting to Order: Terry Glenn called the meeting to order at 9:10 a.m.

Establish Quorum: Owners in attendance were McKillop Family Trust (3); Steve and Kerrill Mahoney (9); Doug and Linda Smith (11); G & S Family (12); Tom Reuttinger (16); Terry Glenn (19); Terry and Anne Carter (22); Michael and Anne Hasson (23); Joe and Marcia Kurtz (32); and Andrew and Tracy Klein (35). Owners represented by Proxy were John and Michelle Pellitier (1); Hodam/Cookson (2); Dale Watanabe (4); Marianne Slade (7); Richard and Mary Pierce (8); Lynne Angel (10); Andreas and Joyce Falkenberg (13); William and Martha Cloran (15); Doug and Peg Brown (20); Cottonwood Legacy LLC (21); Donald Stow (26); Jack and Patricia Deines (27); Barsotti/Reynolds (28); Jack and Carolyn Barcheck (31); Dr. Enrique and Alma de Castro (33); Gregory and Mary Sears (37); Joseph and Sheryl Wonderlick (38); and John and Valerie Warren (39). With 28 of 39 owners represented either in person or by proxy, a quorum was established (72%) for this meeting.

Approve Minutes dated October 3, 2015: Doug Smith made a motion to approve the 2015 Annual Meeting Minutes as presented. Anne Carter seconded. Motion carried unanimously.

Treasurer's Report: Steve Mahoney presented the September 30, 2016 Financial Statements as handouts to all owners in attendance. Steve feels comfortable with current actual costs against the year to date budget. There were no outstanding dues owed at the end of the third quarter. Management and Administrative fees are within budget with exception of an extra hourly cost for management to arrange contractors for the grounds clean up after the winter windstorm. Pool costs are slightly over budget due to the patching of the surface of the pool prior to opening. Even though Common Ground costs are over budget, the painting was deferred to help cover the cost of the expansive needed tree removal that took place. The budgeted contingency funds were also used for this purpose. Irrigation cost increased in 2016. Doug Smith made a motion to accept the Treasurer's Report as presented. Tracy Klein seconded. Motion carried. For further information please see **ADDENDUM "A"**.

Manager's Report: Gerry Stearns gave an overview of work performed on the property this year. The windstorm that took place in late 2015 was tremendous but Ranch Cabin was fortunate that there was no major building damage. However, there was a great deal of tree damage throughout the complex and some roof damage to units 11, 21, 25, and 37. Some deck posts were replaced at units 1, 4, 15, and 16 due to age. The pool heater was replaced prior to opening this season as well as surface patching. For a full cost breakdown please see a copy of your Manager's Report marked **ADDENDUM "B"**.

Old Business:

Roof Damage Subsidy: In May of this year the Board approved to provide up to \$500 per year per Unit for the repair and maintenance of roofs damaged by acts of nature, providing that such repair and maintenance is reasonably necessary in the sole opinion of the board or its designee, and that the

repair is satisfactory to the Board, and that these funds will not be used for replacement of the roof. In taking this action, the Board acknowledges that the Declarations specifies that roofs are part of the Unit and not a common element, but that there is a communal interest in maintaining the appearance of roofs in a consistent manner. Roof maintenance, repair, and replacement beyond the funds provided by this action shall remain a unit owner's responsibility. Such subsidy was paid out to units 11, 21, 25, and 37 where the roofs were damaged by falling trees and branches during the winter windstorm.

New Business:

Swimming Pool: The cost of patching the pool surface this year came in at \$355.

Pool Heater: Robert Daggett, our pool maintenance contractor, made Gerry Stearns aware that the pool heater would need replacing prior to opening the pool this year. The total cost for this replacement was \$4,028.

2017 Pool Painting Project: The epoxy surface paint on the bottom of the pool is beginning to blister and crack. Where there is damage there is the large possibility that water gets in between the epoxy and the cement bottom of the pool causing further damage to the surface. As mentioned before, the pool had some spot repair work completed this year to hold off a complete pool re-surfacing. The board discussed possibly of deferring the complete surface repaint versus spot painting in 2017 and repaint in 2018. The pool structure appears to be in good shape. A decision was made to get further facts on the surface when Spring arrives and the pool is drained. Costs then can be ascertained to repaint entire pool or patch damaged areas. Given this information the board can then determine the impact on the Reserve account. Terry will work with Gerry to find an experienced contractor. There is no longer a contractor in the Central Oregon area to hire for this type of work.

2017 Painting: Gerry has been in contact with Webfoot Painting to discuss whether it is necessary to paint an entire unit or to paint specific sides that need it most. It is more cost effective to paint just the side where the unit receives the harshest weather that can damage the paint. If a unit needs to be painted in its entirety, then that is what will be done. Anticipated cost for painting in 2017 is \$7,500 for units 3, 7, 27, 33, and 35. An additional amount of \$1,730 will be required for painting the chimney stacks in 2017.

Ranch Cabin #20 Deck Extension: The owner of #20 had asked that he extend his deck out approx. 1.5 feet around the front of unit and wrapping around toward the chimney. Because the square foot increase stays within the approved space that the Board had approved previously *Terry Carter made a motion to approve the request as submitted. Tracy Klein seconded. After further discussion this motion was approved.*

\$100 Tree and Stump Removal Discussion: Doug and Gerry will check the property for the location of still standing hazardous trees marked with red ribbon. There are some smaller trees that will be removed during the next work party, saving the association \$100 per tree. This \$100 represents what the contractor would charge if he was hired to do the removal. There are 32 stumps that need to be ground down below ground surface to make it easier for mowing during summer. The cost for this project will be approximately \$600. Additional cost will need to be budgeted for chip removal, adding soil, and reseeding in these areas.

Other Discussion:

#11 Exhaust Chimney: The small exhaust chimney on Ranch Cabin #11 has deteriorated over a period of time. Gerry will get a cost for this repair and will be part of the 2017 budget.

#24 Remodel: The owner sent a descriptive email to the Board of Directors just prior to this meeting. They desire to remodel the interior of their unit. The Board encourages upgrades and appreciates the notice. The owner has requested approval to install a Ductless Heating and Air Conditioning System as part of their remodel. The owner has spoken with SROA about the system and they (SROA) referred the him to the Ranch Cabin Board regarding the placement of the pad and

enclosure needed for this system. There was some concern on the decibel level of this type of unit. It was researched and it is 19 decibels. Very quiet. Doug Smith made a motion to approve the heat pump placement on the south side of the unit just right of the fireplace as requested by the owner. Joe Kurtz seconded. Motion carried. In addition, the owners would like to replace the majority of their windows. Anne Carter made a motion to approve Essence Windows according to the Associations approved specifications. Andrew Klein seconded. Motion carried. The owner will need to meet with the Board again on the question of horizontal sliding windows. This issue has been passed on the owner.

Board Election:

At the end of this meeting the terms for Steve Mahoney, Doug Smith, and Joe Kurtz will expire. Terry Glenn opened the floor for nominations. There being none, Terry asked for a vote by owners present and available proxies. Incumbents Steve Mahoney, Doug Smith, and Joe Kurtz were elected for another two year term. Their terms will expire in 2018. Terry Glenn and Michelle Pelletier's positions will expire in 2017.

Approve Actions of the Board:

Anne Carter made a motion to approve the actions of the Board for this past year. Tracy Klein seconded. Motion carried unanimously.

Next Meeting Date: April 29, 2017

Adjournment: There being no further business to discuss, Terry Glenn adjourned this Annual Meeting at 11:30 a.m.

Executive Board Session: Executive session was opened for the purpose of electing Officers; Terry Glenn was elected Chairman, Michelle Pellitier Secretary, and Steve Mahoney Treasurer. Terry Glenn adjourned this Executive Session.

Ranch Cabin AUO Profit & Loss Budget vs. Actual

ADDENDUM A

	January through September 2016		2016
	YTD		
	Jan - Sep 16	Budget	Budget
Ordinary Income/Expense			
Income			
Assessment Income			
Quarterly Assessments	65,372.61	65,345.25	87,127.00
Reserve Replacement Assessment	15,750.00	15,750.00	21,000.00
Total Assessment Income	81,122.61	81,095.25	108,127.00
Other Income			
Interest - Replacement Reserve	48.73	48.75	66.00
Late Fees	54.73	0.00	0.00
Total Other Income	103.46	48.75	66.00
Total Income	81,226.07	81,144.00	108,193.00
Expense			
Common Ground Expenses			
Contingency	1,720.34	2,500.00	2,500.00
Electricity - Exterior Lighting	1,027.01	824.94	1,100.00
General Maintenance	1,068.54	825.00	1,100.00
Grounds - Irrigation	1,148.00	900.00	1,030.00
Grounds Maintenance	12,284.75	10,200.00	11,700.00
Insurance	7,436.57	7,556.00	9,821.00
Licenses, Taxes and Permits	25.00	50.00	700.00
Painting	0.00	10,000.00	10,000.00
Snow Removal	902.50	1,745.00	3,800.00
Tree Removal	13,495.46	3,500.00	4,000.00
Water - Irrigation	4,691.12	3,525.00	4,485.00
Total Common Ground Expenses	43,799.29	41,625.94	50,236.00
Management and Administrative			
Accounting Services	4,167.00	4,167.00	5,556.00
Legal Expenses	0.00	500.00	500.00
Management Fee Expense	5,865.09	4,707.00	6,276.00
Postage, Faxes and Mailings	2,277.68	1,935.00	2,755.00
Total Management and Administrative	12,309.77	11,309.00	15,087.00

12:39 PM
10/17/16
Accrual Basis

Ranch Cabin AUO Profit & Loss Budget vs. Actual

ADDENDUM A

January through September 2016
YTD

	Jan - Sep 16	Budget	2016 Budget
Pool Expenses			
Chemicals	2,421.70	2,382.00	2,382.00
Electricity	579.64	500.00	670.00
Maintenance	9,575.85	8,529.00	11,349.00
Natural Gas	2,678.71	2,915.00	3,921.00
Water	3,359.97	2,631.50	3,482.00
Total Pool Expenses	18,615.87	16,957.50	21,804.00
Total Expense	74,724.93	69,892.44	87,127.00
Net Ordinary Income	6,501.14	11,251.56	21,066.00
Other Income/Expense			
Other Expense			
Reserve Expenditures			
Chimney Vents	376.00	0.00	0.00
Deck Posts	701.20	0.00	0.00
Pool - Sandfilter Rebuild	0.00	0.00	0.00
Pool Heater	3,450.00	0.00	0.00
Pool Surface	0.00	0.00	0.00
Total Reserve Expenditures	4,527.20	0.00	0.00
Total Other Expense	4,527.20	0.00	0.00
Net Other Income	-4,527.20	0.00	0.00
Net Income	1,973.94	11,251.56	21,066.00

12:37 PM
10/17/16
Accrual Basis

Ranch Cabin AUO
Balance Sheet
As of September 30, 2016
September 30, 16

ASSETS

Current Assets

Checking/Savings

Cash - Operational 5,491.52

Cash - Snow Removal 3,261.26

Reserves

Cash - Replacement Reserve 3,210.59

Total Reserves 3,210.59

Total Checking/Savings 9,963.37

Accounts Receivable

Accounts Receivable 770.94

Total Accounts Receivable 770.94

Total Current Assets 1,192.43

TOTAL ASSETS 1,192.43

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable 406.44

Total Accounts Payable 406.44

Total Current Liabilities 406.44

Total Liabilities 406.44

Equity

Opening Bal Equity 812.05

Net Income 973.94

Total Equity 1,785.99

TOTAL LIABILITIES & EQUITY 1,192.43

**2016 Annual Meeting
Managers Report**

ADDENDUM B

1. Snow Removal Costs	
a. Remove snow when it reaches a level of 4"	
b. Greater than 12" of snow the cost is \$90.00 per machine hour.	
c. If no snow in Dec, Jan, Feb, March then \$100/month	
2. Water Leak RC #8 Sunset Plumbing	\$577.00
3. Post Replacements	
RC#1, RC#4, RC#15, RC #16	
Total Cost	\$1321.00
Old Business	
4. Tree Damage, Subsidies, and Costs	
a) <u>First Bid</u> from Spring River Tree Service	\$10250.00
b) First Contract	\$8725.00
c) Less Deductions	(\$1325.00)
d) <u>Later Add-ons</u>	<u>\$900.00</u>
Total Net Cost of Contract	\$8300.00
5. Costs Outside of Contract	
A. Mountain View Heating	
a) Branch Removals from Roofs	\$3319.00
B. Subsidies to Owners of RC#11, RC#21, RC#25, RC#37	<u>\$2000.00</u>
Total Costs of Storm Damage	\$13619.00
6. Heater Cost For Pool	
a) Mountain View Heating (Labor)	\$376.00
b) Daggett Pool & Spa (Installation)	\$247.00
c) <u>Heater Cost</u>	<u>\$3400.00</u>
Total Heater Replacement Costs	\$4028.00
7. Pool Patching Costs	
a) Daggett Pool & Spa (Labor)	\$275.00
b) <u>Paint For Pool & Deck</u>	<u>\$80.25</u>
Total Cost For Pool Repair	\$355.25
8. Where the money came from to cover storm damage expenses:	
a) Tree Removal	\$4000.00
b) Painting	\$10000.00
c) <u>Contingency</u>	<u>\$2500.00</u>
Total budgeted \$\$ used for Storm Damage	\$16,500.00
New Business	
9. Stump Grinding	
a) Approximate Cost From Bid: 32 Stumps at \$150.00/ Hr	\$600.00
10. Furnace Chimney Repairs and Inspection	
a.) The bid may differ after inspection	\$2600.00
11. 2017 Painting Contract Cost Discussion	
a) 2017 Painting Contract	\$7500.00
b) <u>Chimney Painting: (Read From Contract the specifics)</u>	<u>\$1730.00</u>
Total Cost for 2017 Painting	\$9230.00

Ranch Cabin Association of Unit Owners
2017 Assessment Breakdown

Unit Number	Design	Ownership Interest(%)	Operations	Reserve Contribution	2017 Proposed Quarterly Assessments	2016 Quarterly Assessments	Increase of Quarterly Assessments
1	b	0.02197	\$483.48	\$144.18	\$627.66	\$594.09	\$33.57
2	f	0.03061	\$673.61	\$200.88	\$874.49	\$827.72	\$46.77
3	a	0.02029	\$446.51	\$133.15	\$579.66	\$548.66	\$31.00
4	d	0.02865	\$630.48	\$188.02	\$818.49	\$774.72	\$43.77
5	c	0.02617	\$575.90	\$171.74	\$747.64	\$707.66	\$39.98
6	a	0.02029	\$446.51	\$133.15	\$579.66	\$548.66	\$31.00
7	e	0.02432	\$535.19	\$159.60	\$694.79	\$657.63	\$37.16
8	d	0.02865	\$630.48	\$188.02	\$818.49	\$774.72	\$43.77
9	c	0.02617	\$575.90	\$171.74	\$747.64	\$707.66	\$39.98
10	d	0.02865	\$630.48	\$188.02	\$818.49	\$774.72	\$43.77
11	c	0.02617	\$575.90	\$171.74	\$747.64	\$707.66	\$39.98
12	c	0.02617	\$575.90	\$171.74	\$747.64	\$707.66	\$39.98
13	c	0.02617	\$575.90	\$171.74	\$747.64	\$707.66	\$39.98
14	c	0.02617	\$575.90	\$171.74	\$747.64	\$707.66	\$39.98
15	b	0.02197	\$483.48	\$144.18	\$627.66	\$594.09	\$33.57
16	a	0.02029	\$446.51	\$133.15	\$579.66	\$548.66	\$31.00
17	c	0.02617	\$575.90	\$171.74	\$747.64	\$707.66	\$39.98
18	b	0.02197	\$483.48	\$144.18	\$627.66	\$594.09	\$33.57
19	b	0.02197	\$483.48	\$144.18	\$627.66	\$594.09	\$33.57
20	c	0.02617	\$575.90	\$171.74	\$747.64	\$707.66	\$39.98
21	e	0.02432	\$535.19	\$159.60	\$694.79	\$657.63	\$37.16
22	d	0.02865	\$630.48	\$188.02	\$818.49	\$774.72	\$43.77
23	c	0.02617	\$575.90	\$171.74	\$747.64	\$707.66	\$39.98
24	b	0.02197	\$483.48	\$144.18	\$627.66	\$594.09	\$33.57
25	f	0.03061	\$673.61	\$200.88	\$874.49	\$827.72	\$46.77
26	b	0.02197	\$483.48	\$144.18	\$627.66	\$594.09	\$33.57
27	c	0.02617	\$575.90	\$171.74	\$747.64	\$707.66	\$39.98
28	d	0.02865	\$630.48	\$188.02	\$818.49	\$774.72	\$43.77
29	f	0.03061	\$673.61	\$200.88	\$874.49	\$827.72	\$46.77
30	a	0.02029	\$446.51	\$133.15	\$579.66	\$548.66	\$31.00
31	d	0.02865	\$630.48	\$188.02	\$818.49	\$774.72	\$43.77
32	b	0.02197	\$483.48	\$144.18	\$627.66	\$594.09	\$33.57
33	d	0.02865	\$630.48	\$188.02	\$818.49	\$774.72	\$43.77
34	f	0.03061	\$673.61	\$200.88	\$874.49	\$827.72	\$46.77
35	b	0.02197	\$483.48	\$144.18	\$627.66	\$594.09	\$33.57
36	f	0.03061	\$673.61	\$200.88	\$874.49	\$827.72	\$46.77
37	e	0.02432	\$535.19	\$159.60	\$694.79	\$657.63	\$37.16
38	d	0.02865	\$630.48	\$188.02	\$818.49	\$774.72	\$43.77
39	c	0.02617	\$575.90	\$171.74	\$747.64	\$707.66	\$39.98
		100.00%	\$ 22,006.25	\$6,562.50	\$28,568.75	\$27,040.87	\$1,527.88
			x 4 qtrs	x 4 qtrs		4 qtr total	
Annual Assessment/Budget			\$ 88,025.00	\$ 26,250.00	\$ 114,275.00	\$ 108,163.48	\$ 6,111.52

Ranch Cabin Association of Unit Owners

Budget Comparisons

	Approved 2012 Budget	Approved 2013 Budget	Approved 2014 Budget	Approved 2015 Budget	Approved 2016 Budget	Anticipated 2016 YE Bal	Approved 2017 Budget
INCOME							
Prior YE Operational funds carried fwd.	\$ 4,006.00	\$ 6,012.00	\$ 2,025.00	\$ 1,873.00	\$ 4,137.00	\$ -	\$ -
Snow Removal balance carried fwd.	\$ -	\$ 2,085.00	\$ 4,800.00	\$ 2,306.00	\$ 1,860.00	\$ 1,498.00	\$ 1,000.00
Legal Expense funds carried fwd.	\$ -	\$ -	\$ 2,036.00	\$ -	\$ -	\$ -	\$ -
Contingency balance carried forward	\$ -	\$ 73.00	\$ -	\$ -	\$ -	\$ -	\$ -
Income - Qrtly Assessment	\$ 78,055.00	\$ 78,235.00	\$ 80,455.00	\$ 85,663.00	\$ 87,163.00	\$ 87,163.00	\$ 88,025.00
Income - Reserve	\$ 23,400.00	\$ 23,400.00	\$ 21,000.00	\$ 21,000.00	\$ 21,000.00	\$ 21,000.00	\$ 26,250.00
Income - Late Fees	\$ 100.00	\$ 180.00	\$ -	\$ -	\$ -	\$ 65.00	\$ -
Income - Interest	\$ 93.00	\$ 60.00	\$ 36.00	\$ 36.00	\$ 66.00	\$ 65.00	\$ 66.00
TOTAL INCOME	\$ 105,654.00	\$ 110,045.00	\$ 110,352.00	\$ 110,878.00	\$ 114,226.00	\$ 109,791.00	\$ 115,341.00
EXPENSE							
Electricity - Ext Lighting	\$ 828.00	\$ 1,060.00	\$ 1,085.00	\$ 1,345.00	\$ 1,100.00	\$ 1,627.00	\$ 1,562.00
General Maintenance	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 1,100.00	\$ 1,403.00	\$ 1,104.00
Grounds Maintenance	\$ 9,855.00	\$ 9,700.00	\$ 10,500.00	\$ 10,540.00	\$ 11,700.00	\$ 13,120.00	\$ 13,120.00
Grounds Irrigation Repairs	\$ 1,200.00	\$ 2,870.00	\$ 1,500.00	\$ 1,200.00	\$ 1,030.00	\$ 1,148.00	\$ 1,150.00
Sewer Line Maintenance	\$ -	\$ -	\$ 3,000.00	\$ -	\$ -	\$ 0.00	\$ -
Insurance	\$ 8,900.00	\$ 8,824.00	\$ 8,647.00	\$ 9,808.00	\$ 9,821.00	\$ 9,598.00	\$ 9,830.00
Legal Expense	\$ 4,800.00	\$ 2,500.00	\$ 2,500.00	\$ 1,000.00	\$ 500.00	\$ 0.00	\$ 100.00
Licenses/Taxes/Permits	\$ 800.00	\$ 1,244.00	\$ 1,020.00	\$ 1,043.00	\$ 700.00	\$ 655.00	\$ 700.00
Management Fee Expense	\$ 11,508.00	\$ 11,628.00	\$ 11,748.00	\$ 11,832.00	\$ 11,832.00	\$ 12,990.00	\$ 13,082.00
Pool - Electricity	\$ 575.00	\$ 621.00	\$ 643.00	\$ 680.00	\$ 670.00	\$ 670.00	\$ 675.00
Pool - Natural Gas	\$ 3,524.00	\$ 4,174.00	\$ 3,000.00	\$ 4,020.00	\$ 3,921.00	\$ 2,691.00	\$ 2,664.00
Pool - Maintenance	\$ 12,508.00	\$ 12,863.00	\$ 12,234.00	\$ 11,213.00	\$ 11,349.00	\$ 12,396.00	\$ 11,830.00
Pool - Chemicals	\$ -	\$ -	\$ 1,700.00	\$ 2,234.00	\$ 2,382.00	\$ 2,422.00	\$ 2,500.00
Pool - Water	\$ 1,300.00	\$ 1,294.00	\$ 1,375.00	\$ 2,800.00	\$ 3,482.00	\$ 4,407.00	\$ 4,620.00
Postage/Fax/Mailings/Meetings	\$ 2,400.00	\$ 2,800.00	\$ 2,800.00	\$ 3,127.00	\$ 2,755.00	\$ 2,923.00	\$ 2,755.00
Snow Removal	\$ 7,000.00	\$ 7,000.00	\$ 2,200.00	\$ 4,694.00	\$ 3,800.00	\$ 2,302.00	\$ 4,239.00
Water - Irrigation	\$ 4,188.00	\$ 4,395.00	\$ 6,000.00	\$ 4,600.00	\$ 4,485.00	\$ 5,612.00	\$ 5,133.00
Painting	\$ 9,700.00	\$ 10,000.00	\$ 10,300.00	\$ 12,000.00	\$ 10,000.00	\$ 0.00	\$ 9,500.00
Tree Removal	\$ 4,800.00	\$ 1,000.00	\$ -	\$ 3,000.00	\$ 4,000.00	\$ 13,495.00	\$ 2,000.00
Contingency	\$ 3,000.00	\$ 3,532.00	\$ 3,364.00	\$ 1,500.00	\$ 2,500.00	\$ 1,720.00	\$ 2,500.00
Total Operational Expenses	\$ 87,786.00	\$ 86,405.00	\$ 84,516.00	\$ 87,536.00	\$ 87,127.00	\$ 89,179.00	\$ 89,064.00
Snow Removal Fund							
Reserve Account Contribution	\$ 23,400.00	\$ 23,400.00	\$ 4,800.00	\$ 2,306.00	\$ 1,860.00	\$ 1,498.00	
Reserve Account - Interest	\$ 93.00	\$ 60.00	\$ 36.00	\$ 36.00	\$ 66.00	\$ 65.00	\$ 66.00
TOTAL EXPENSE	\$ 111,279.00	\$ 109,865.00	\$ 110,352.00	\$ 110,878.00	\$ 110,053.00	\$ 101,242.00	\$ 115,380.00