

THE RANCHO TEHAMA ASSOCIATION (RTA)
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2008 ANNUAL MEETING REPORT

October 18, 2008

The meeting began with the pledge to the flag led by President Sharon Easton at 9:00 a.m. in the Rancho Tehama Recreation Hall with approximately forty members in attendance, as well as Gary Taylor representing Hignell management company. Since a quorum of members was not present, no items of business were taken up. The Board accepted the minutes of the August 2, 2007 meeting.

President Easton gave a short report on the year's activity including a couple of training seminars sponsored by our Management Company (Hignell) and renewal of another year's contract with Rob's recycling. We have engaged Browning Reserve to do a reserve study. In August of 2007, the association had \$465.76 in our asset reserve fund; we now have \$204,128.90. In the general checking there was a balance of less than \$3,000 which now has over \$12,000. The airstrip has been sealed with the help of volunteers; we have successfully cleaned up a burned lot owned by the association, and are now negotiating its sale. A long standing violator has almost completed his lot cleanup without the cost of going to court, and several other properties violations have been resolved through the covenants committee with the support of this board. Resurface of sections of Rancho Tehama Road, Stagecoach, and Live Oak has been completed. Easton stated also the board's fiduciary duties of loyalty, ordinary care, and good faith to act in a reasonable manner in the best interests of the corporation. To that end, the board has made every effort to pay attention to association business and seek expert advice, including hiring Hignell, an association management company that is committed to creating a caring community and to do things openly and correctly. It does not benefit us as members, or as neighbors to have a community that constantly blames, accuses, and points fingers. She noted that ALL Directors who have served, past or present, have devoted huge chunks of their free time to the association because they wanted to benefit our community. And they tried to do the best job any of them knew how to do—only to get persecuted and ridiculed. Directors have to work with one goal--the good of the whole community—and that's their job, the report ended.

Treasurer Penny McGee presented an interim accrual financial statement dated September 30, 2008 (attached) showing net earnings of \$141,763.34, and a cash balance of \$217,274.14. It was also noted that 1427 members are paid up and eligible to vote, and that accounts receivable of \$309,000.00 in August 2007 when the board took office has been reduced to \$185,338.00.

Members spoke up and voiced concerns about the management contracts, cancellation clauses and what they are doing for us. Other concerns were OSHA safety requirements, proper noticing of annual meetings, cleanup at Border Lake and Pistol Point, ballots and the current elections, a stop sign needed on Humboldt and N. Mendocino, the need for a business plan and procedures manuals. It was announce that all candidates and committee chairs will be provided a free training class in association management by the association attorney on October 28, 2008.

The meeting adjourned at 10:30 a.m.

Sheri Schultz, Corporate Secretary