

**MINUTES OF MEETING OF THE  
EXECUTIVE BOARD OF  
RED MOUNTAIN RANCH OF  
GUNNISON COUNTY ASSOCIATION**

**November 20, 2007**

A meeting of the Executive Board was held on November 20, 2007 at 42 Stream View Lane, Crested Butte.

Present by phone: Bill Lacy  
Rocky Kimball  
John Geist  
Allan Newcomb  
Becky Williams

Present: Rod Landwehr, Attorney  
Gordon & Angela Reeves, Managers

The meeting was called to order at 4:00 p.m.

The minutes of the September 5, 2007 meeting were unanimously approved.

Angela stated the purpose of the meeting was to give Rod Landwehr direction on how to respond to the settlement offer made by Andy McFaul's attorneys, dated November 2, 2007.

Rod explained that in the November 2, 2007 letter, Andy's attorney had argued that the square footage in the basement should not be counted as square footage within the house according to the Uniform Building Code. Rod said the County Building Inspector did not agree with the interpretation of Andy's attorney and felt the square footage of the basement should be counted. Rod stressed that this was an essential part of the case and said he was waiting for a call back from Steve Thomas who trained building inspectors and was considered to be an expert in building code interpretation. Rod agreed to update the board as soon as he had spoken to Steve Thomas.

Rod said the November 2, 2007 letter had also proposed different fine structures depending on whether or not the County granted approval. Rod said he felt confident that the County would continue to take the position that they would only grant approval for the oversized house, if Red Mountain Ranch had reached a settlement on the square footage. Therefore, it was not necessary to have different fine structures.

It was unanimously agreed that the settlement proposed in the November 2, 2007 letter was totally unacceptable to the association.

Rod said David Baumgarten, County Attorney, had suggested a meeting in Gunnison between all the parties in an attempt to settle this lawsuit. Rod said David Baumgarten had suggested a meeting during the weeks commencing November 26 or December 3. Rod said there was a status conference scheduled for December 5. Rod asked that the Board appoint one board member to attend the meeting with him but stressed that the board member must have authorization from the board to settle. He said that if a settlement was reached at that meeting the settlement would be binding and board members would not be able to make any amendments to the settlement. It was unanimously agreed that Bill, as President of the Association, would attend the meeting with Rod.

After a long discussion it was agreed that Bill and Rod had the unanimous approval of the Board to offer a fine of \$350,000 in settlement of the lawsuit with Andy being allowed to keep the additional square footage in both the basement and the rooms above ground. It was agreed that the request would be for immediate payment of the \$350,000 and not to have the payment as part of any potential real estate closing. It was acknowledged by those participating in the meeting that responses from the building code expert or situations arising in the settlement meeting may cause Rod and Bill to adjust the settlement offer. It was also agreed that if a satisfactory settlement could not be reached, then the association would proceed with the lawsuit. Rod suggested engaging a litigation attorney if it was not possible to resolve the situation at the settlement meeting.

The meeting adjourned at 5:10 p.m.

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Prepared by Angela H. Reeves