

**MINUTES OF MEETING
RED MOUNTAIN RANCH OF GUNNISON COUNTY
ASSOCIATION, INC.
October 4, 2007**

A meeting of the homeowners of Red Mountain Ranch of Gunnison County Association, Inc. was held on Thursday, October 4, 2007 at 4:00 p.m. pursuant to proper notice, in the Members Bard at West Wall Lodge, Mt. Crested butte.

The meeting was called to order at 4:25 p.m.

ROLL CALL

Angela said 25 proxies had been received prior to the meeting and with owners of 10 lots physically present at the meeting at least 35% of the owners were represented in accordance with the Bylaws.

A quorum was declared present.

PROOF OF NOTICE OF MEETING

Notice of Meeting was mailed September 14, 2007, 20 days prior to the meeting.

APPROVAL OF MINUTES OF NOVEMBER 24, 2006 MEETING

The Minutes of the November 24, 2006 meeting were mailed after that meeting and again on September 14, 2007. Rhonda McCay made a motion to approve the minutes as distributed. Rocky Kimball seconded the motion and it was unanimously approved.

Everybody introduced themselves and Rocky said that he, Bill Lacy, Allan Newcomb, John Geist and Becky Williams were on the board but Becky was unable to attend the meeting.

Rod Landwehr, the association's attorney, introduced himself and said he would be present for part of the meeting.

MANAGER'S REPORT

Angela explained a detailed letter had been mailed with the annual meeting package so that all owners would receive an update as the year had been busy for the association. She said that because of the purchase of the one acre of land at the front entrance, perimeter fencing and legal fees the association would not be able to build up reserves during 2007.

Angela explained the association had filed a lawsuit against a homeowner for violating the covenants by building a home in excess of the maximum 7,500 square feet. She said

the exterior of the house was very similar to the plans submitted to the association but the interior floor plan use had been changed and the basement was living space instead of the mechanical area approved by the association. Angela said the County was supporting the association and were also conducting their own action as the house violated the County Land Use Resolution. Angela said the association was presently waiting for answers to be filed to the Complaint and that it would be after October 18 that the association would begin discovery and disclosure which would be a large expense. She said the board would obviously carefully consider any settlement offers and confirmed that Rod Landwehr would be meeting again with both the owner's attorney and the County Attorney prior to the October 18 deadline.

Rod Landwehr answered owners questions and offered to show owners the original plans approved by the association and the as-built plans prepared by an engineer. Rod explained that future discussion would focus on how to abate the covenant violation by filling in or blocking off specific areas of the house. He confirmed that it would be possible to bring the house into compliance with the covenants but that penalties and attorney's fees would also be sought.

Angela said Chamomile Daisies had been extensively pulled on Red Mountain Ranch (at the front entrance and along the edge of the road) but due to the budget the Toad Flax and Thistle had been cut. She said that attempts to spray the noxious weeds in other areas had failed and that pulling the weeds was the only solution. She explained that cutting the plants would prevent the spread of the noxious weeds and that the 2008 budget would be increased to dig and pull those plants. Gordon reminded owners that they were responsible for their own lots and that if owners did not want to pull weeds they could hire workers through him to do the job. Angela said the removal of noxious weeds would be a long term project.

After Rod Landwehr had answered all questions posed, the Board thanked him and he left the meeting.

RATIFICATION OF THE 2008 BUDGET

Angela said a dues increase would be necessary in 2008 to cover operating expenses, legal fees and an entry gate. She said the 2006 questionnaire had shown that a large majority of the owners who responded wanted to have a gate installed and \$40,000 would cover the installation of a quality gate and operating system. John Geist made a motion to approve the 2008 Budget. Rhonda McCay seconded the motion and it was approved by a majority of the owners.

ELECTION OF BOARD OF MANAGERS

Angela explained that Bill Lacy and Becky Williams had put their names forward for re-election to the Board. As there were no other nominations put forward Kristine Lass made a motion to appoint Bill and Becky to the Board for additional three year terms. Rocky Kimball seconded the motion and it was approved by a majority of owners.

UNSCHEDULED BUSINESS

Rhonda McCay expressed concern about the noise of trail bikes. After discussion it was agreed that the Covenants allow operation of trail bikes on Red Mountain Ranch roads by owners between 7:00 a.m. and 10:00 p.m.

Rocky Kimball thanked the West Wall Lodge who had provided the very comfortable meeting space free of charge.

DATE OF NEXT MEETING

Angela said no date had been set for the 2008 annual meeting.

The meeting adjourned at 5:30 p.m.

Billy Joe Lacy, President

Prepared by Angela H. Reeves, Manager