

**MINUTES OF MEETING
RED MOUNTAIN RANCH OF GUNNISON COUNTY
ASSOCIATION, INC.
December 15, 2008**

A meeting of the homeowners of Red Mountain Ranch of Gunnison County Association, Inc. was held on Monday, December 15, 2008 at 3:30 p.m. pursuant to proper notice, in the Members Bar at West Wall Lodge, Mt. Crested Butte.

The meeting was called to order at 3:40 p.m.

ROLL CALL

Angela said 21 proxies had been received prior to the meeting and with owners of 9 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 November 12, 2008, 30 days prior to the meeting.

APPROVAL OF MINUTES OF OCTOBER 4, 2007 MEETING

The Minutes of the October 4, 2007 meeting were mailed after that meeting and again on November 12, 2008. Becky Williams made a motion to approve the minutes as distributed. Rhonda McCay seconded the motion and it was unanimously approved.

MANAGER'S REPORT

Angela said there had been three sales during 2008, all vacant land with one lot selling twice. She explained Lot 52 was sold in April and then sold again in late November. The third sale was a miscellaneous parcel containing a barn owned by Andy McFaul.

Angela said there were 14 vacant lots listed for sale with prices ranging from \$685,000 to \$2,000,000. She said there were 9 houses for sale with prices ranging from \$1,625,000 to \$7,950,000.

Angela said there had been extensive discussion about a covenant violation and the settlement process at the 2007 meeting. She explained a settlement had been reached towards the end of 2007 with Andy McFaul and at the closing in April of his miscellaneous parcel \$300,000 had been placed in an escrow account for the association. In November of this year Andy McFaul had received his Certificate of Occupancy from the County and the association received the \$300,000 for the covenant violation. She said the money had been placed in the Red Mountain Ranch Reserve account.

The 2008 budget set aside funds for a gate at the front entrance and Angela explained the Board had been considering location and design but felt that it would be beneficial to hire an architect to assist with the design. The association hired Dan Murphy to design a gate to enhance the front entrance. Angela said two bids have been obtained for the work, the first was for \$175,000 and the second, for exactly the same work, was \$133,000. The price included stonework to make the culvert area by the ponds appear to be a bridge and there would be asphalt up to the bridge. Angela said approval was being sought from Kap Fitzgerald of White Buffalo Ranch but as she had recently declared bankruptcy the association needed approval from either the bankruptcy trustee or the next owner. Angela explained the Board would spend the winter studying options so no decisions would be made on the gate at this time.

Danny Byron said he was strongly opposed to a gate and thought it would not increase security and would be very inconvenient to the people who lived at Red Mountain Ranch year round. Bob Huckins said he felt there were many areas at Red Mountain Ranch that required attention before a gate was installed. He suggested that some of the \$300,000 be used for the following improvements:

1. Increase road maintenance so that the road was in good condition all year.
2. Address drainage issues and clear ditches.
3. Forest management along the edge of the roads.
4. Clear old log piles and repair telephone boxes.

Those present agreed the above items would all enhance the appearance of Red Mountain Ranch and the Board agreed to obtain prices and prepare a plan. Bill Lacy said road maintenance would cost approximately \$80,000 and suggested the Board review prices for chip and seal or asphalt on some of the problem corners where washboard always reoccurred.

After a short discussion it was agreed the Board would review implementing a non-refundable construction charge for all new construction on the Ranch instead of the present refundable deposit. Concern was expressed that construction traffic was damaging the roads and the construction charge would go towards future road maintenance.

RATIFICATION OF THE 2009 BUDGET

Bob Huckins said the association must retain sufficient funds to adequately maintain Red Mountain Ranch. Angela said some of the \$300,000 covenant violation fine would be used for capital improvements and therefore it was possible to reduce the 2009 dues to \$2,500 and still have sufficient funds coming in to cover the operating expenses. Rhonda McCay made a motion to approve the 2009 budget with dues of \$2,500 per lot and \$1,300 for the 3 associate members. Bob Huckins seconded the motion and the 2009 budget, as distributed, was approved by a majority of the owners.

ELECTION OF BOARD OF MANAGERS

Angela explained that Allan Newcomb had put his name forward for re-election to the Board. Becky Williams made a motion to appoint Allan to the Board for an additional three year term. Rhonda McCay seconded the motion and it was unanimously approved.

DATE OF NEXT MEETING

Angela said no date had been set for the 2009 annual meeting.

The meeting adjourned at 4:50 p.m.

Billy Joe Lacy, President

Prepared by Angela H. Reeves, Manager