

**MINUTES OF MEETING
RED MOUNTAIN RANCH OF GUNNISON COUNTY
ASSOCIATION, INC.
November 24, 2006**

A meeting of the homeowners of Red Mountain Ranch of Gunnison County Association, Inc. was held on Friday, November 24, 2006 at 4:00 p.m. pursuant to proper notice, in the library at West Wall Lodge, Mt. Crested Butte.

The meeting was called to order at 4:05 p.m.

ROLL CALL

Angela said 27 proxies had been received prior to the meeting and with owners of 5 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 October 17, 2006, 39 days prior to the meeting.

APPROVAL OF MINUTES OF DECEMBER 19, 2005 MEETING

The Minutes of the December 19, 2005 budget meeting were mailed after that meeting and again on October 17, 2005. Danny Byron made the motion to approve the minutes as distributed. Joan Clark seconded the motion and it was unanimously approved.

MANAGER'S REPORT

Angela said that after several years of planning the Association had finally purchased the one acre of land at the front entrance from White Buffalo Trading Company and had also secured water rights for irrigation of the landscaping.

Angela explained that heavy snow during the 2005/06 season, high winds in June, extensive work on the perimeter fence and the purchase of the one acre of land had all contributed to the depletion of the bank accounts and a dues increase was necessary to cover operating expenses.

Angela said the perimeter fence had been replaced in all areas except for a small section at Oversteeg Gulch which would be replaced in the spring. Although the new fencing cost \$22,751 during 2006 Angela explained that future perimeter fencing costs would be considerably less and only routine maintenance would be required. Some cows had still managed to get into Red Mountain Ranch through the Spann fencing and requests would be made to the Spanns to upgrade sections of their fence.

Two owners had expressed concern at the large amount of money being spent on perimeter fencing and felt that those costs could be avoided if grazing was allowed to return to Red Mountain Ranch. A discussion followed regarding owners being allowed to fence a 3 to 5 acre portion of their land to keep the cows off their property and grazing returning to Red Mountain. However, concern was expressed that the concept of Red Mountain Ranch would be changed if there were individual fenced areas.

Angela said a weed management plan would be implemented in the spring in response to concerns expressed by Gunnison County. She said the weeds at the front entrance and along the edges of the roads would be removed by a combination of spraying and pulling. She cautioned that the work could take several years before the weeds were completely eradicated from those areas. Angela also explained that owners would continue to be responsible for the removal of noxious weeds from their own lots and any owners requiring assistance to remove those weeds should contact her or Gordon to obtain an estimate of time and cost to remove the weeds on specific lots.

Angela said there were presently 11 vacant lots and 2 homes listed for sale on the MLS. She explained that no vacant lots had sold during 2006 and there had been one home sold in January of this year.

Angela said two sets of plans had been approved during 2006, one for a guest house and the second for a main residence.

Angela said the Board was presently drafting Design Guidelines. The document was intended to follow the design guideline section in the Covenants but give owners and architects additional information to assist in the initial design of a home.

Angela said a questionnaire had been sent out to all owners requesting their comments on the installation of a gate at the front entrance. Although nine owners were strongly opposed to an entrance gate at any time in the future, twenty-nine owners favored the installation of a gate as soon as possible and seven owners favored a gate sometime in the future. Angela explained the Board had reviewed various options and favored a style similar to the gates at The Reserve on the East River and said the anticipated cost for the gate, operating system and stone work was \$30,000. However, the Board had decided to delay a final decision on the gate until the spring when the actual operating expenses would be known and it would be clear if the Association would need to fund the entire cost of a gate by a special assessment. A long discussion followed regarding the installation of a gate. Danny and Judy Byron expressed concern that the gate would prevent friends from visiting unannounced and that the gate would be a significant inconvenience, especially when it malfunctioned. Danny Byron also expressed concern that because of the large amount of construction occurring on Red Mountain Ranch there would be so many people who knew the combination that the gate would provide very little security and frequent changes of the code would be inconvenient to owners. Bob Huckins asked that any surplus funds be used for road maintenance before they were

applied to the installation of a gate. Angela said that any special assessment would require the approval of at least 67% of the owners.

Angela said it was anticipated that 2006 operating expenses at the end of the year would exceed the budget by 38% due mainly to snowplowing and perimeter fencing. Angela explained that because dues had not been increased in 2006 it was necessary to have a larger than normal increase for 2007.

RATIFICATION OF THE 2007 BUDGET

Angela said the proposal was to increase dues to \$2,500 and \$1,250 for associate members. Bob Huckins made a motion to approve the 2007 Budget. Ernie Hoeckel seconded the motion and it was approved by a majority of the owners.

ELECTION OF BOARD OF MANAGERS

Angela explained that David Clarke and Rocky Kimball had put their names forward for re-election to the Board. As there were no other nominations put forward Rocky and David received the unanimous support of those represented at the meeting and both joined the Board for three year terms. Gordon thanked the board members for the time that they volunteered to the Association.

UNSCHEDULED BUSINESS

There was nothing new to add.

DATE OF NEXT MEETING

Angela said no date had been set for the 2007 annual meeting.

Kristin Hoeckel made a motion to adjourn the meeting at 5:20 p.m. Becky Williams seconded the motion and it was unanimously approved.

Billy Joe Lacy, President

Prepared by Angela H. Reeves, Manager

RED MOUNTAIN RANCH OF GUNNISON COUNTY ASSOCIATION, INC.

2007 BUDGET

INCOME	
Assessments	\$ 161,250
Interest	\$ 130
Design Review	\$ 750
TOTAL INCOME	\$ 162,130
EXPENSES	
Legal	\$ 1,500
Insurance	\$ 3,000
Snow Removal	\$ 35,000
Road Maintenance	\$ 11,000
Dust Retardant	\$ 34,000
Management	\$ 19,400
Miscellaneous	\$ 1,000
Utilities	\$ 350
Design Review	\$ 450
Fence Repair	\$ 12,000
Landscaping	\$ 1,000
Dumpster	\$ 3,000
Landscaping	\$ 3,000
Capital Reserve	\$ 7,430
Total Operating Expenses	\$ 132,130
Repay line of credit	\$ 30,000
Total expenses	\$ 162,130