
RECORD OF PROCEEDINGS

**Minutes of the Meeting
Of the Board of Directors of
Brightwater Club Property Owners Association
October 14, 2011**

A Meeting of the Executive Board of Directors of the Brightwater Club Property Owners Association, Eagle County, Colorado, was held October 14, 2011 at 2:00 p.m., at the offices of Robertson & Marchetti, P.C., 28 Second Street, Suite 213, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Julie Nelson
- Joe Spencer
- Don Janklow
- Malcolm Gray – (By Telephone)
- Garrett Smith – (By Telephone)

Also in attendance were:

- Janice Spencer
- Scott Green
- Mike Budd
- Dominic & Ora DeMaria – (By Telephone)
- Joan Mosch – (By Telephone)
- Darrell Schmidt – (By Telephone)
- Kirk French – (By Telephone)
- Denny Gray – (By Telephone)
- Jerry Orten – (By Telephone)
- Eric Weaver & Cheri Curtis – Robertson & Marchetti, P.C.

Call to Order The Meeting of the Board of Directors of Brightwater Club Property Owners Association was called to order by Ms. Nelson, noting a quorum was present.

Agenda The Board reviewed the agenda and it was distributed to those in person.

Minutes The Board reviewed the meeting minutes of the June 24, 2011 Executive Board Meeting. Upon motion duly made and seconded it was

RESOLVED to approve the meeting minutes of the June 24, 2011 meeting as presented.

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Bankruptcy Update

The closing did not happen on the scheduled date and the delay appears to be caused by an issue related to personal guarantees of CDI shareholders. CDI and Reconcile have filed a joint motion to extend the closing of the transaction between the two parties to October 28, 2011 and a hearing to consider the motion will be held on October 26, 2011.

A Motion for Order Approving Settlement with Benjamin Bain & Howard was filed which will likely resolve that dispute.

SEMA Golf filed a Motion for Relief from Stay and the Association is also filing a similar motion to protect the Association's secured liens in the event the sale of the property does not go through. The Board has concerns that SEMA would only acquire the back-nine holes of the golf course which would cause the property to be divided between multiple parties.

The Association has received communication from CDI confirming that they will be blowing out the irrigation system and applying fungicides to properly put the course to bed for the winter.

Account Receivable

Mr. Weaver presented a report on the accounts receivable. The overall balance has remained relatively consistent with the end of 2010 as several owners have now come current and CDI has paid dues during the bankruptcy period using the bankruptcy funds. The amount estimated to be written off on the CDI accounts is approximately \$575,000.

Financials

Mr. Weaver presented the September 30, 2011 financial statements. The balance sheet, revenues and expenditures were reviewed. Mr. Budd stated when the excess working capital is collected from the buyer and paid to the seller at closing the HUD statements become more difficult. Mr. Weaver explained that closing companies have requested the transactions be completed this way, which essentially credits the buyer for future assessments. Mr. Weaver is forecasting the Association to end the year in a position similar to budget as both revenues and expenses are greater than budget.

Mr. Weaver is working with a firm on creating a Reserve Study. Scott Green questioned the status for road repairs at the exit gate. The Board

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explained the Association does not own the roads and that the issues will have to be addressed after the CDI/Reconcile closing.

Street Lights

Multiple street lights are out and CDI was unable to repair them during the bankruptcy process. The Association will be spending roughly \$3,000 to repair the streetlights which is expected to be completed in the coming week.

Covenant Violations

Covenant issues are being addressed and most have been resolved. A trampoline has been installed on common area and/or golf course property. Mr. Spencer and Mr. Weaver have been trying to work with the owner to address the issue but have made little to no progress. The Board expressed concerns with liability, the installation not being approved by the DRB, and the issue not being resolved in a timely matter. The Board agreed to send a letter to the owner demanding removal of the trampoline.

Mr. Weaver is working with individual owners on weed control. The Board is hoping to have better weed management next year based on discussions with the developer. The Association may offer to coordinate weed spraying service to individual owners as a cost saving measure.

DRB Report

There are two homes that have resumed construction and Mr. Weaver is working with VAg to review and monitor their progress. Mr. DeMaria questioned the DRB process as he is in the process of re-establishing the landscaping on his property.

Security

Mr. Spencer and Mr. Weaver are looking at a new camera and user tracking system for both gates to allow mobile access to view visitors wishing to gain access. The system would also record license plates of all vehicles entering and exiting the gates which could be used in the event of burglary or vandalism. The cost of the system is \$7,482 with a \$147 monthly charge. The Board tabled the approval of the system until after the sale is complete.

Funding of security costs was discussed and Mr. Budd stated that the Metro District Board approved funding the limited personnel hours currently in place through the end of 2012 but asked that the Association Board communicate their desires related to security to the

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Metro District Board. Ms. Nelson stated that the original agreement for funding of security was a three way split between the Developer, the Club, and the Association/District.

Future Meetings

After the closing is completed between CDI and Reconcile, the Association will hold an open meeting to hear from representatives of Reconcile as to their future plans. The Board will also schedule the annual meeting for early 2012.

Adjournment

There being no further business to come before the Board at this time, upon motion duly made and seconded it was unanimously

RESOLVED to adjourn the meeting of the Brightwater Club Property Owners Association Board of Directors this 14th day of October, 2011.

Respectfully submitted,



Cheri Curtis
Secretary for the meeting