

---

## RECORD OF PROCEEDINGS

---

### Minutes of the Meeting Of the Board of Directors of Brightwater Club Property Owners Association February 16, 2012

A Meeting of the Executive Board of Directors of the Brightwater Club Property Owners Association, Gypsum, Eagle County, Colorado, was held February 16, 2012 at 9:00 a.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:

- Joe Spencer
- Julie Nelson (By Telephone)
- Don Janklow (By Telephone)
- Darrel Schmidt (By Telephone)

Also in attendance were:

- Kirk French (By Telephone)
- Karl Mosch (By Telephone)
- Denny Gray (By Telephone)
- Patti Parker (By Telephone)
- Jeff Koch (By Telephone)
- Mike Budd (By Telephone)
- Eric Weaver, Robertson & Marchetti, P.C.
- Cheri Curtis, Secretary to the Meeting

**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.

**Minutes**

The Board reviewed the meeting minutes of the November 30, 2011 and January 7, 2012 Executive Board Meetings. Upon motion duly made and seconded it was

**RESOLVED** to approve the meeting minutes of the November 30, 2011 Executive Board meeting as presented and,

**FURTHER RESOLVED** to approve the meeting minutes of the January 7, 2012 Executive Board meeting as presented.

The Board reviewed the January 7, 2012 Annual Member Meeting minutes and found no changes. The minutes will be posted to the website in draft format and approved at the next Annual Member Meeting.

---

## RECORD OF PROCEEDINGS

---

---

### Brightwater Club Property Owners Association February 16, 2012 Meeting Minutes

---

#### **Meeting**

##### **Dates**

The Board reviewed the meeting date calendar and approved the dates as presented. It was agreed the POA would meet at 1:00 p.m. on the third Friday that correspond with the Valagua Metropolitan District meetings in May, July, October, and November. The Valagua Metropolitan District will meet at 2:00 p.m. or immediately following the POA meetings. All other meetings will be held on the fourth Wednesday of the month at 2:00 p.m.

##### **Land Trust Obligation**

Director Janklow reported this was addressed a year ago and it is clear that the Association has no obligation to pay for the Land Trust services until the property is conveyed to the Association. The Board agreed with the conclusion and directed Mr. Weaver to contact the Land Trust to inform that they will need to seek payment from CDI.

##### **Snow Plowing**

The current snowplowing contract requires the roads to be plowed whenever there is a minimum of 4" of snow. The Board agreed 4" is too much and will request plowing after a minimum of 2" snow in future contracts. It was noted for the record that blowing snow also needs to be addressed and that the Association should consider only plowing the roads with homes on them.

##### **Survey**

It was agreed to conduct a survey to get input from all property owners and not just the members in attendance at the Annual meeting. Potential developers have questioned whether existing club members would be willing to enter into a new membership agreement and what levels of dues would be reasonable. Survey results would not only be beneficial to Board but also to potential developers.

Mr. French and Mr. Karl Mosch expressed support for a survey. Director Janklow suggested adding question on the club non-golf amenities. It was noted an open ended survey would provide open ended answers so specific questions are preferable. Director Nelson stated the survey needs to address security.

A draft of the survey questions will be prepared for the next meeting so that the survey can be emailed with paper copies mailed to property owners who have not provided email addresses.

##### **Bankruptcy Update**

James DeFrancia reported at the annual meeting that Reconcile is no longer interested in the property. CDI has filed a motion to dismiss the bankruptcy. Sema Golf filed an objection to dismissing the bankruptcy and has requested the earnest money be used to pay down the DIP loan. The hearing to dismiss the bankruptcy will need to be scheduled. The mechanic lien holders will also need to request a hearing regarding the earnest money.

---

## RECORD OF PROCEEDINGS

---

---

### Brightwater Club Property Owners Association February 16, 2012 Meeting Minutes

---

The contract has been extended with CT Fuller to market the property and three developers have expressed interest in the property. Only one developer has both golf and residential experience with the other two developers having either residential or golf courses experience, but not both. A new owner will be faced with deadlines to get golf course open and operational. The developer with both residential and golf experience is performing the due diligence and has met with a number of local experts. The Association has been contacted by this developer during the due diligence process for input. The Board is hopeful the property is sold to a new developer, prior to the bankruptcy being dismissed.

EFO has filed a motion to begin the 120 day foreclosure process, which is governed by State law. A foreclosure filed by Sema Golf is under a different time table and would be sold through a sheriff sale that could be completed prior to the June 13, 2012 auction date. The Association is the only party interested in the property as EFO and the mechanic lien holders are only interested in receiving a payment towards the liens on the property.

#### **Security**

Mike Brown is storing a tanning bed and exercise equipment in the Gate House for personal reasons since he works nights. The Board approved allowing him to keep these items in the gatehouse since it is critical to his wellbeing as he gets little sun.

Mr. Weaver informed the Board that Mr. Brown is a District contractor but is working on Association equipment on his own time. Mr. Weaver wanted to note that Mr. Brown has recently repaired the broken entrance gate while not on the clock, showing that he remains dedicated to the community and does much more than just man the gates at night. The Board agreed that having Mr. Brown maintain the equipment was in the best interest of the community and will not hold the District accountable if any damage is sustained to the equipment.

Plans for the new security system are proceeding and are expected to start in early April. The supplier needs to find different cameras that will work at the low temperatures experienced in Brightwater.

The Valagua Metropolitan District (VMD) did not receive property taxes from CDI in 2011. Without the operating taxes from CDI, VMD may run out of operating funds as early as June 1, 2012 and will not be able to fund security. The options for security include eliminating the security contract, having the Association fund the VMD Security Contract, have the Association contract directly for security, or have the Association fund the costs to the District who could keep the contract in force. This topic will be revisited as more information on a potential sale date and related property tax payment is known.

---

## RECORD OF PROCEEDINGS

---

---

### Brightwater Club Property Owners Association February 16, 2012 Meeting Minutes

---

#### **Common Area**

A street sign has been broken, possibly by a semi-owner who lives next to the Carriage House. The truck and trailer are parked on a road owned by the Town of Gypsum and the semi-owner uses the intersection as a turnaround location. Mr. Weaver was instructed to contact the Town of Gypsum regarding the semi parking on a Town road. The cost to replace the sign is approximately \$850. The sign is not deemed to be a safety concern and the Board agreed to not replace the sign.

**Trampoline** Although the trampoline is still next to home as of last week, the hole has been filled in and re-vegetation will be necessary in the spring. Mr. Weaver will confirm the trampoline has been removed.

#### **DRB**

##### **Deposits**

The Association is holding \$30,000 in DRB deposits; \$20,000 on Bette Hagan's property that has foundation, and \$10,000 for another property. Both owners will be contacted at the \$10,000 deposit will be refunded to the owner. The DRB will request deposits and landscape plans from Wells Marvin and John McCarty, the two properties currently under construction.

##### **Weed**

##### **Spraying**

The Association has no responsibility for weed spraying at this time as individual lots are required to be sprayed by the owners and the common area is still owned by CDI. However, Mr. Weaver will be working with Scott Green to develop a plan to notify owners if their lot is infested and simplify the process for owners to address the issue. However, if an owner fails to take care of their weeds the Town will do the spraying and bill the owner. Depending on the timing of the sale the common area may have to be maintained by EFO until a sale is completed.

#### **DRB**

**Administrator** VAg was administrator for the DRB but has become unresponsive so a new DRB Administrator would benefit the Association. It was discussed that at this point it would be best if the DRB authority was relinquished by CDI to the Association. The Association will contact Mr. DeFrancia to try and obtain a letter transferring the DRB to the Association.

The DRB Request for Proposal (RFP) was presented to the Board for approval. Comments from the Board on the request for proposal will be sent to Mr. Weaver. Once finalized, the DRB RFP will be sent to prospective firms for consideration at the March meeting.

---

## RECORD OF PROCEEDINGS

---

---

### Brightwater Club Property Owners Association February 16, 2012 Meeting Minutes

---

**Collections** Vertical Funding acquired ten lots during the foreclosure process. Of the approximate \$86,000 owed to the Association, \$46,000 will be written off as bad debt due to the foreclosure. Vertical Funding has offered \$20,000 as a settlement offer for rest of the past due assessments subject to the Super Lien. The Board agreed assessments were not negotiable and demanded full payment of the amount due the Association.

A contract is pending on a property that is starting the foreclosure process. The prospective buyer requested the Board reduce the balance owed to the Association in order to close the sale and avoid the time and cost to go through foreclosure. The Board agreed to write-off all past due amounts through 2010 and all late fees. This will allow the Association to collect 12 months of dues rather than only 6 months if it went through foreclosure. In order to receive this offer, the property transaction must be completed within one month and full payment for the 2011 assessments and first quarter 2012 assessment must be paid at closing.

**Financials** Mr. Weaver presented the December 31, 2011 preliminary financial report. The actual to forecast variances were discussed. The Board reviewed the accounts receivable report.

The Board requested future assessment statements highlight the prepayment option. A newsletter will be sent notifying property owners of the \$400 prepayment discount that is offered if \$1,200 is received for 2012 and there are no past due amounts. The prepayment deadline will be extended to February 29, 2012.

**Adjournment** There being no further business to come before the Board, 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 16th day of February 2012.

Respectfully submitted,



Cheri Curtis  
Secretary for the Meeting