
RECORD OF PROCEEDINGS

Minutes of the Meeting Of the Board of Directors of Brightwater Club Property Owners Association July 20, 2012

A Meeting of the Executive Board of Directors of the Brightwater Club Property Owners Association, Gypsum, Eagle County, Colorado, was held July 20, 2012 at 11:00 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:

- Julie Nelson
- Don Janklow
- Garrett Smith (By Telephone)

The following Directors was absent and excused:

- Darrel Schmidt
- Joe Spencer

Also in attendance were:

- John & Linda McCarty
- Brent & Donna Gilbreath
- Dominic & Ora DeMaria
- Malcolm Gray (By Telephone)
- Jeff Koch (By Telephone)
- Karl Mosch (By Telephone)
- Russ Hatle (By Telephone)
- Wells Marvin (By Telephone)
- Scott Green (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 Mr. Weaver, noting a quorum was present.

Agenda

Mr. Weaver presented the agenda and there were no changes.

Minutes

The Board reviewed the meeting minutes of the May 18, 2012 Executive Board Meetings. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the meeting minutes of the May 18, 2012 Executive Board meeting as presented.

RECORD OF PROCEEDINGS

Brightwater Club Property Owners Association July 20, 2012 Meeting Minutes

Bankruptcy & Foreclosure Update

Director Nelson provided a Bankruptcy update to those in attendance. The bankruptcy was dismissed and the foreclosure against the CDI property was completed. EFO was the only bidder and will retained ownership of the property, subject a redemption period that would allow debtors to redeem their redemption rights. The Association is able to redeem their rights for the Super Lien amounts. Director Nelson stated the Board was successful in protecting the Associations interest in the Declarations and Bylaws during the bankruptcy and foreclosure period.

SEMA and the mechanic lien holders have filed a lawsuit against the Association to determine the priority of redemption rights but the Association hopes to avoid significant costs as there is little chance either party will actually redeem.

If and when EFO takes ownership they will have the option to sell the property in the current condition or hold the property until there is a suitable buyer for the property. John McCarty questioned the status of the tax liability. Mr. Weaver stated four years of property taxes are now owed, two of which were sold at tax sales in previous years and the remaining two which go to tax sale if not paid by November of 2012.

Director Smith questioned the plans for distribution of the escrow funds. Mr. Hatle stated \$100,000 was paid to CDI, \$125,000 to Reconcile, and \$375,000 to EFO.

Director Nelson questioned whether the Board was interested in filing the intent to redeem for the Association's secured liens. If the Association does not file the intent to redeem, the secured lien will be abolished. Although the Association is not in a financial position where it could redeem, it does allow a potential third party to purchase the position from the Association. After discussion by the Board and community members and upon motion duly made and seconded it was unanimously

RESOLVED to notify Mr. Orten to file an intent to redeem.

Compliance Matters

Mr. Weaver has heard that Mr. Schelter is completing the remaining work to fully restore the trampoline area so no further action is required by the Board at this time.

The two homes that are still under construction both have temporary certificates of occupancy but will need to receive final sign off from the Design Review

RECORD OF PROCEEDINGS

Brightwater Club Property Owners Association July 20, 2012 Meeting Minutes

Board before obtaining their final certificates of occupancy. The Administrators hired by the Association have been in communication with both of these owners.

Wells Marvin reported cars are driving from Foxprowl on the cart path and suggested installing ballards to prevent cars from driving on the cart path. The Board is not able to install ballards as this is Club property but will try to contact the people to inform that this s not allowed.

Golf Course

Several members questioned whether it would be possible for the community to acquire golf course assets in full or in part. Director Nelson stated that this has been explored but the ongoing operating deficits likely make the plan financially infeasible. Mr. Wells stated he was not comfortable with the Board and Management not disclosing all information. Director Nelson explained the legal actions are continuing and the Board is not allowed to disclose certain information, per legal advice.

Weed Spraying

The Town of Gypsum is enforcing weed control in Brightwater and fining and doing the work for property owners not in compliance. Director Janklow noted there are weeds growing on the roadsides that should be addressed.

Mr. DeMaria stated the Association's CCRs require native grass and wildflowers. The Town of Gypsum Compliance Officer has contacted the DeMaria's requiring them to mow down the native grass. Mr. Weaver will discuss the issue with the Town of Gypsum.

Security

The gate system at Brightwater was designed to be a manned system but due to budget restraints in now unmanned part of the time. The Association is installing a camera system to allow online access to view live video of vehicles requesting access and to record vehicles entering and exiting the property.

Originally security for Brightwater was set-up with the POA funding 40% and the Developer and Club each funding 30%. When the Developer and the Club could no longer fund security, the POA moved the security function to Valagua Metropolitan District (VMD). With the decrease in property tax collections, a committee was formed with two POA and two VMD Board members to discuss the status of security until a new owner is in place and will have input on security. The Committee determined that VMD has agreed to fund security through August, 2012 and then the cost could be split between both entities until the matter can be readdressed at the October Board meetings.

RECORD OF PROCEEDINGS

Brightwater Club Property Owners Association July 20, 2012 Meeting Minutes

Other Matters

Mr. DeMaria questioned the low stream flow issues. There was no resolution reported and little information is available. It was noted all of Eagle County is experiencing a drought year.

Ms. Gilbreath questioned the maintenance of the roads. It was reported the Association is providing snowplowing and lighting for security purposes as the roads and common areas have not been conveyed to the Association. Several areas of the roads, most noticeably the sinkhole at the front entrance, will need to be repaired by the new owner before the Association will take ownership and related maintenance responsibilities.

Property Owners informed the Board that emergency responders need to be notified of access codes and instructions. Mr. Weaver will follow up with the security contractor regarding the issue.

Financials

Mr. Weaver presented the June 30, 2012 preliminary financial report. Revenues have exceeded the budget due to collection of prior year assessments on a number of lots due to the collection efforts of the Association. Expenditures are running favorable to budget, however the upcoming change in ownership may require additional legal expenditures to resolve outstanding issues. Once a new owner is in place the Association anticipates working with them to develop the 2013 Association budget based on anticipated payment of current and prior dues as well as conveyance and maintenance of common areas.

Accounts Receivable

Mr. Weaver reviewed a summary of the accounts receivable by property type. The Board will meet in executive session at a later date to discuss the possible foreclosures. Mr. Weaver reviewed the procedures for foreclosing on properties.

Accounts Payable

Upon motion duly made and seconded it was unanimously

RESOLVED to approve the accounts payable list as presented.

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 20th day of July 2012.

RECORD OF PROCEEDINGS

Brightwater Club Property Owners Association July 20, 2012 Meeting Minutes

Respectfully submitted,



Cheri Curtis

Secretary for the Meeting