
RECORD OF PROCEEDINGS

**Minutes of the Meeting
Of the Board of Directors of
Brightwater Club Property Owners Association
November 16, 2012**

A Meeting of the Executive Board of Directors of the Brightwater Club Property Owners Association, Gypsum, Eagle County, Colorado, was held on November 16, 2012 at 10:00 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:

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

Also in attendance were:

- Lynn Janklow
- Mike Budd
- Scott Green
- Renzo Renzi, GCH (By Telephone)
- Louis Amato, GCH (By Telephone)
- Karl Mosch (By Telephone)
- Dominic & Ora DeMaria (By Telephone)
- Inga and Brandon Causey (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 Director Nelson, noting a quorum was present.

Agenda

The snowplowing contract was added to the agenda.

Minutes

The Board reviewed the meeting minutes of the October 19, 2012 Executive Board Meeting. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the meeting minutes of the October 19, 2012 Executive Board meeting as presented.

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Development Update

Mr. Amato reported Gypsum Creek Holdings' (GCH) legal counsel has opined the Association's second Super Priority Lien holds no legal merit and should not have been filed. GCH has been advised that the Declaration of Covenants and Restrictions (Covenants) for the Association indicates the roads and common area need to be conveyed to the Association. GCH is interested in working with the Association and is prepared to present the following settlement agreement:

- GCH will pay the 1st priority lien of \$92,800 without interest or legal fees
- GCH will agree to repair the collapsed road area at the front gate in exchange for Association accepting the common area and roads.
- The Association will reimburse GCH \$6,387.99 in property taxes for the common area
- The Association will reimburse GCH \$35,000 for common areas expenditures

Mr. Amato stated if the Association is prepared to negotiate there could be a benefit to all parties involved. If the Association is not willing to work with GCH, they are prepared to move forward through the legal process. GCH is hoping both parties can work together to resolve the issues for the good of the community.

Mr. DeMaria clarified that GCH has 114 lots and 2 parcels, therefore paying over one-third of the annual assessments. Director Schmidt asked whether GCH had received the engineering studies on the roads or common areas and Mr. Amato indicated they were still attempting to receive those documents. It was clarified that the common areas does not include the Lake House, Castaway Cabin or the irrigation ditches. Director Nelson clarified the Association is not responsible for repairs prior to the conveyance of the roads and the common area.

Director Schmidt stated with conveyance of the roads and common area there should be engineering reports, performance bonds, and plans conveyed to the Association. Mr. Amato clarified that GCH has reviewed the Covenants and there is no requirement to provide these items, only that the Association is required to maintain the common areas. Mr. Amato further clarified GCH is willing to work with Association but they are not responsible for prior issues. Director Nelson asked about construction plans and as-builts. Mr. Amato stated they are available and will be turned over to the Association. Director Nelson informed Mr. Amato that the Board would like to review those items before discussing assuming responsibility for the roads and common area with GCH.

Mr. Green asked about timing for the entrance improvements. Mr. Renzi stated the road improvements will be completed in the spring after the batch plants

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reopens. Director Smith asked about the “mothball” theory. Mr. Amato clarified GCH plans to protect the asset but is not planning to open the golf course for play. GCH will determine whether to open the other facilities depending on the community’s interest in using and paying for use of the facilities. No decisions can be decided until it is determined whether a GCH will need to fund a lawsuit if the issues in the proposed settlement agreement are not resolved. GCH continues to look for a developing partner and could change their position on the Club amenities based on input from a new party. If the economy does not turn around, GCH is prepared to hold property for several years. Director Nelson questioned whether there is a marketing contract in place for the development? Mr. Amato stated GCH is actively marketing the property without a broker involved.

Director Nelson asked if a press release is planned. Mr. Amato stated until a definitive position is determined it is better to not provide comment to the public. Director Smith stated any communication would be better than the negative rumor currently within the community. Mr. Amato agreed to consider the Board’s comments.

DRB Reviews

Jamie Pappas with Borne Engineering presented the status of the landscaping compliance with two properties looking for final approval from the DRB. Both properties have seeded the lawns and the Town of Gypsum issued certificate of occupancy for both properties. The Town of Gypsum does not currently require landscaping approval from the Association before issuing the certificate of occupancy. Mr. Pappas agreed work with the Town to require approval from the Association before issuing the certificate of occupancy.

The one owner installed a colored concrete patio with a fire pit that did not go through the DRB process. Mr. Pappas does not have the dimensions of the patio to determine if it was within the design guidelines. Mr. Pappas believes the owner did understand the need to have the plans approved through the DRB process. Director Schmidt stated if the patio is in compliance with the DRB guidelines it should be approved. If it is not in compliance, the Board may look at a variance with any costs bore by the owner. Mr. DeMaria stated that there is a requirement to present plans and complete landscaping per plan that all other homeowners have followed. The Board agreed to allow Mr. Pappas time to determine if the property is within compliance and made a recommendation to the Board on whether it should be accepted or not. The Board also directed Mr. Pappas and Mr. Weaver to determine if fees were paid and if not, collect them from owner to cover the costs being charged to the Association.

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The owner of 171 Foxprowl has completed landscaping. Mr. Pappas presented items not in compliance including debris and construction materials onsite with a minimal quantity of trees and shrubs.

It was noted both properties have driveways not in compliance since the Covenants required colored or stamped concrete. Mr. Pappas pointed out there are other driveways not in compliance within Brightwater. The Board agreed that since others were not in compliance it was not possible to require these two properties to change their driveways.

Director Nelson requested Mr. Pappas present all issues and recommendations to the Board's for them for them to form a position. Mr. Amato and Mr. Renzi will be included in the process for future approvals.

Security System

Mr. Weaver continues to deal with issues created by the sales person for the company that is installing the system. Five of the six cameras are working and Mr. Weaver is hoping they have all the cameras working today. The pin codes and telephoning pin pads are not working with new system. Mr. Weaver will present a proposal to install the correct equipment allowing the cameras and security codes to operate one system. Ms. Janklow requested that when there is a glitch, there needs to be a backup plan to get owners in the security gates.

Snowplow Contracts

At the October meeting the Board reviewed the proposals and found they were not consistent. Mr. Weaver obtained consistent proposals and presented a comparison that was reviewed by the Board. Upon motion duly made and accepted it was unanimously

RESOLVED to approve the contract with Highland Galloway to plow the roads with homes at 3" accumulation. The Board directed Highland Galloway to plow earlier in day and look at all roads to determine if some roads exceeded 4". GCH will allow the snowplow equipment to remain on the developer property.

Hunting

Hunting was a problem this season with one hunter caught hunting on Brightwater property. It was noted that access to BLM land through Brightwater is permitted through the back nine. There is no hunting allowed in Town of Gypsum. Mr. Amato did allow Town of Gypsum personnel hunting access with escorts by Tim Toggins through the property.

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Annual Meeting

The annual meeting is tentatively schedule for January 5, 2013. The Board will need to approve the 2013 budget before the meeting can be officially scheduled.

Luppens Request

Mr. Luppens maintains he has provided the back-up requested on the costs for developing a list of property owner contacts when the Board previously under the direction of the former developer refused to provide that information. Director Nelson and Mr. Weaver confirmed they have not received the email or other documentation. Director Nelson and Mr. Weaver agreed to work on the payment request by Mr. Luppen outside of the meeting. Mr. Amato requested a list of all property owners with contact information.

Security

Ms. Janklow expressed support for Mike Brown and would like to receive notice to be involved in future discussions on security. Director Nelson stated the continuance of security is a budget issue, not a personnel issue. Director Schmidt, who is also on the Valagua Metropolitan District Board of Directors stated the District can no longer support the funding of security. There was a discussion to have the Association pay \$20,000 of the security with individual property owners contributing another \$5,000. Ms. Janklow, Mr. Green and Ms. DeMaria all agreed manned security is important. Mr. Green agreed to contact the owner homeowners to request they contribute to the support the security function. Mr. Luppen stated he is against security and the funding for Mr. Brown.

Executive Session

Upon motion duly made and seconded it was

RESOLVED to move into executive session at 11:55 a.m. to discuss contractual matters.

The Board adjourned the Executive Session at 1:00 p.m.

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 November 2012.

Respectfully submitted,



Cheri Curtis

Secretary for the Meeting