
RECORD OF PROCEEDINGS

Minutes of the Meeting Of the Board of Directors of Brightwater Club Property Owners Association June 23, 2015

A Meeting of the Executive Board of Directors of the Brightwater Club Property Owners Association, Gypsum, Eagle County, Colorado, was held on June 23, 2015 at 10:00 a.m., at the offices of Marchetti & Weaver, 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 (By Telephone)
- Darrel Schmidt (By Telephone)
- Renzo Renzi (By Telephone)
- Brian Kueker (By Telephone)
- Jim Benjamin (By Telephone)

Also in attendance were:

- Donna Gilbreath
- Randy Mize
- Terry Kermoade (By Telephone)
- Carl Luppens (By Telephone)
- Kim Berggren (By Telephone)
- Don Janklow (By Telephone)
- Eric Weaver, Marchetti & Weaver, LLC
- 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 Eric Weaver, noting a quorum was present.

Agenda

No changes were presented.

Minutes

The Board reviewed the meeting minutes of the April 23, 2015 Executive Board Meeting. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the minutes of the April 23, 2015 Executive Board Meeting as presented. Director Benjamin abstained from voting.

**GHC
Update**

Director Renzi reported GHC is maintaining the hard assets on the west side of the property. GCH is in the process of interviewing two possible agents to market the property. Pending items with the Town of Gypsum are being completed.

RECORD OF PROCEEDINGS

Brightwater Club Property Owners Association June 23, 2015 Meeting Minutes

Director Schmidt questioned the timeline for marketing the property and the asking price. Director Renzi reported there has been no decision on the marketing timing, but GCH is anxious to get the property marketed. GCH Management is reviewing the market to set an acceptable minimum price. The due diligence process is being completed. Director Schmidt questioned if the due diligence information would be available to interested buyers and Director Renzi indicated it would be available. There are currently ten to fifteen parties interested in the property.

Kirk French questioned whether GCH was marketing to developers or investors. Director Renzi stated GCH would like to sell the property to someone interested in building homes in the area. GCH is seeing capital groups and investors expressing interest in the property.

Four Lots Acquired

Mr. Weaver reported the Association acquired four properties through the foreclosure process. A notice was sent to property owners offering the properties to current owners. Three offers were received. Mr. Weaver prepared an analysis of the offers from the three parties; James Benjamin for Lot 19, and GCH and Malcolm Gray submitting offers for all four lots.

Since three of the Directors were involved with the offers submitted, only Directors Schmidt and Spencer could discuss the offers. Director Schmidt stated the Association needs to only accept an offer if it is close to market value and therefore recommended accepting Benjamin's offer on Lot 19, contingent on closing costs paid by the buyer. The other three lots, since the bids were well below market value, would then be listed with a realtor to obtain the maximum amount on all lots. Director Spencer was in agreement with Director Schmidt's direction.

Director Benjamin indicated he was willing to pay all closing costs and cover up to \$500 of legal expenses to guarantee there was no conflict of interest.

Director Renzi questioned the marketing plan. Director Schmidt stated the properties would be listed for ninety days with Mike Budd from Berkshire Hathaway. Director Renzi requested the opportunity to discuss the GCH offer with the GCH partners to potentially make an offer closer to market value. Director Benjamin stated that since GCH's offer is contingent on the purchase of all 4 lots in bulk, if their offer on all 4 lots was brought up to an amount that was attractive enough to warrant the sale, he would remove his offer to avoid the having the Association take the risk of having to list the lots.

RECORD OF PROCEEDINGS

Brightwater Club Property Owners Association June 23, 2015 Meeting Minutes

Carl Luppens requested the Board consider another realtor. The Board stated they are comfortable listing the properties with Mike Budd but agreed to solicit proposal from additional realtors who would also be required to provide a marketing plan for the properties.

Mr. Luppens questioned whether the Board protested property values provided by the Eagle County Assessor. The Board did not due to the timing of acquiring the properties.

Fidelity Insurance

Mr. Weaver informed the Board that new State legislation is forcing all property managers to become licensed with the State of Colorado and Associations to obtain fidelity insurance to protect against theft by the management company and Board members. Proposals for fidelity insurance for Brightwater Club POA were distributed to the Board. Director Benjamin reviewed both policies and recommends the Board accept proposal #1 for \$1,550. By motion duly made and seconded it was unanimously

RESOLVED to approve option #1 for fidelity insurance at \$1,550.

Operations

Conservation Easement – Property owners have requested access to the conservation easement from the path adjacent to the Cast Off Cabin. The Board noted the path to the bridge on the conservation easement property will need to be maintained. Director Renzi agreed to follow-up with GCH partners on the ability to allow access the area adjacent to the Cast Off Cabin.

Entrance Landscaping – Brush Creek Landscaping will complete the landscaping improvements at the roundabout at the main entrance in the coming one to two weeks.

Trees were planted in the median near the north gate, however, the irrigation was turned off from the golf course to the area, causing the trees to not get watered. The Board is questioning the health of trees and considering the possibility of having to replace the trees in the fall.

The buck and rail fence near north gate is still scheduled to be installed this week. There was a delay with the fence being installed due to a wet spring which didn't allow the contractor to obtain material.

Weed Control – Mr. Weaver reported on the issues with weed control with it being a wet spring. Shades of Green Landscaping will be contracting with outside help to get control of the weeds.

RECORD OF PROCEEDINGS

Brightwater Club Property Owners Association June 23, 2015 Meeting Minutes

Mr. Janklow questioned weed control and water features on the golf course property. Director Renzi will address the issues with Mr. Hernandez. Director Schmidt questioned the status of the pond aerators. It was reported they are all working except for Pond number nine.

Design Review – Wells Marvin requested the Board address the DRC's failure to approve the final landscaping on his property in order for him to receive final certificate of occupancy from the Town of Gypsum. The Board directed Mr. Weaver to send a letter to Mr. Marvin once again requesting he provide a landscaping plan that will be completed prior to receiving final landscaping approval.

Financials Mr. Weaver reviewed the May 31, 2015 financial report. The Association has invested the reserve funds in UMB, who then invests the funds in different banks. The CD's are laddered with maturities from one to five year terms with favorable rates for longer term CD's. The accounts receivable balance has increased by only \$10,000 in 2015.

Mr. Weaver reviewed the profit and loss statement, indicating the number of delinquent property owners should be reduced to sixteen owners. Revenues and expenditures are both running positive to the 2015 budget. The additional insurance approved today was not included in the budget and landscaping is over budget. Both items will be covered by the contingency.

Most capital projects will be completed in the near future. Those costs are split between Association and GCH.

**Accounts
Receivable**

Mr. Weaver reviewed the accounts receivable summary, noting the Association continues to make progress on the remaining delinquent accounts. There are 288 properties that are current on their dues (91 properties owned by individuals, 80 properties owned by multiple-property owners, and 117 properties owned by GCH) with the remaining 24 properties that are delinquent in various stages of the collections process.

Of the 24 delinquent accounts, 4 will be sold as discussed earlier in the meeting, 5 have large property tax balances owed and are therefore not being pursued, 7 are in the collections process and all can have a lien placed on the property within the next 30 days, 7 may be given to the Association via a deed-in-lieu, and one has only a minimal balance remaining. The Board has authorized Legal Counsel to file liens on all of the 7 lots noted above.

RECORD OF PROCEEDINGS

Brightwater Club Property Owners Association June 23, 2015 Meeting Minutes

Rampart Holdings owns seven lots, with five lots owing more in property taxes than the value of the lots. Discussions have begun on the possibility of the owner transferring the deeds for the five lots over to the Association in lieu of the Association pursuing foreclosure. Mr. Weaver recommends the Association obtain the lots and continue to not pay the property taxes. Owning the lots could be beneficial to the Association if property values increase to levels that are more than the taxes owed.

Other properties in collections were reviewed. The cost is estimated at \$3,500 to complete the foreclosure process on a property owner. Director Renzi suggested continued cleaning up delinquent accounts is better for the Association and it will assist property owners to achieve a favorable borrowing position for construction. It was noted costs can be contained by allowing the Association to turn properties over to collections with the attorney sending a demand letter followed by filing a lien on the property.

Director Benjamin recommended filing a personal judgement on owners in arrears. Mr. Weaver will contact legal counsel and notify the Board of the cost and ability to obtain a personal judgement. Director Benjamin recommended the Board consider obtaining other lots with mortgages on the properties. The worst case is the Association acquires the property with the possibility of the mortgage lien being released.

Mr. Weaver recommended that the Board reconvene in July to consider additional steps once the remaining liens are filed and recommendations from legal counsel can be obtained.

Accounts Payable

The Board reviewed the accounts payable list. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the accounts payable list as presented.

Adjournment 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 23rd day of June, 2015.

Respectfully submitted,



Cheri Curtis

Secretary for the Meeting