

Brightwater POA
Board of Directors Meeting
August 19, 2010

The board meeting of August 4, 2010 was reconvened at 2:00 p.m.; the meeting was held via telephone. Board members present were D Janklow, J Nelson, J Spencer, R Melun and C Luppens. Other owners present were D Gray and M Budd. Others present were A Gill and K Krohlow of RPS, Inc.

The agenda will follow the August 4, 2010 format

#2) There was a motion to approve the minutes of June 18, 2010. All approved.

#9) Grounds and Physical Plant Maintenance: Janklow reported that two weeks ago the edge of the road was mowed; it is his belief that the developer paid for that work.

Spencer asked that the 2011 budget include money for minimal maintenance work.

There was a general discussion of the gate entry system – both the hardware and the software. Spencer stated that the gate system appears to be working fine but that the software may need updating or improving. Melun stated that the Metro District cannot contribute anything towards maintenance of the system but only pay for an on-site person to oversee the gate system. Spencer will call the gate manufacturer to see if they can maintain system and see if they have any suggestions for upgrading the software. The goal with the software is to allow owners to open/close gate without being present.

#10) Discuss acceptance or rejection of Common Areas from the Developer: Janklow stated that nothing has been formally offered to date. Spencer does not want to accept the common area in its present condition, even if it were offered. Nelson concurred. Luppens stated that Kennedy Funding has not released land dedicated to building a fire station.

#11) Metro District Golf Course Operations: M Budd stated that because Luppens and Melun are members of the Metro District Colorado State Statute precludes any discussion of Metro District operations. After general discussion all directors agreed to table this issue.

#12) Garfield Hecht attorney fee: There is approximately \$7500 outstanding. Janklow reported on how the bill was generated. The disagreement is that the bill was for advice to the POA that was incorrect or poor in quality.

Nelson motion to send bill to developer; Luppens seconded. There was a discussion. The bill was generated while the board was under developer control. Janklow stated that POA was probably liable for some of the bill as some of the work was done for the owners. Melun recommended negotiating for a significant reduction. Luppens stated that owners had incurred costs as result of the incorrect advice. Janklow asked board

members to provide documentation of any hard costs they incurred. Nelson asked for input from the forensic accountant so that info could be used to support no payment. Nelson withdrew the motion.

#13) Eagle Valley Land Trust request for payment: Janklow reported. The land surrounding Gypsum Creek is in an easement provided by the developer and naming the Eagle Valley Land Trust. Every lot sold by the developer, and future owner, requires a \$20/year payment to the EVLT. R Hatle, the developer, has contacted Janklow and agreed to pay the past due as that is the developer's responsibility. Future payments will be the responsibility of the POA once the POA accepts common areas. Luppens stated that the terms of that acceptance may be negotiable.

#14) Transfer Fee Upon Sale: Nelson pointed to language in the auditors report that quoted language in the POA Declaration. The Declaration allows the Board to assess a 2% transfer fee which is due upon sale of any lot. There is a question as to whether this applies to developer lots and/or any subsequent sale of lots acquired if the developer loses lots due to a foreclosure.

#3) Turnover Audit – Continuing Discussion: there was a general discussion of the audit that was sent to the Board on August 16, 2010. Janklow recommended further review by the Board. Nelson offered to be collection person for all the comments so that the auditor received all comments at the same time.

#8) Other Collection Activity – Continuing Discussion: Luppens asked if there had been any collection action for owners other than CDI. Janklow asked that this be discussed in an executive session and at a subsequent meeting.

#4) Owner's Club Deposit Recovery – Continuing Discussion: Luppens wants the POA to support an immediate process of collecting money from Bank First (bank that dispersed the owner's deposits). Janklow said he believes that there is a three (3) – year statute of limitation; he wondered to whom money would be returned – to the developer or to the individual owner.

Nelson wants money spent on an attorney to support Luppens in investigating the claim. Janklow asked for more discussion before authorizing funds for an attorney. Luppens made motion to spend up to \$2,000 on obtaining counsel (name of counsel to be provided at a later date and subject to Board approval via email). Spenser seconded motion. There was further discussion. Nelson asked that the attorney opinion would be used to develop a strategy, only. And, with that info, the Board and owners can make a decision as to whether to use attorney recommended by Luppens or another firm.

Nelson, Luppens, Melun, Spencer and Janklow voted yes.

#15) Set next meeting: September 24, 2010; 2 p.m.; place to be determined.

#16) Meeting adjourned at 4 p.m.