

Brightwater POA
Board of Directors Meeting
August 4, 2010

The meeting was called to order at 2:10 p.m. by President D Janklow. All participation was via telephone. Directors present were Spencer, Nelson, Melun, Luppens (joined meeting at 2:20 p.m.). Other owners present were L Janklow, M Budd, G Smith, K Mosch, D & S Gray, L Boothby, R Hatle. Others present were A Richardson & D Sullivan of Orten/Richardson law firm and K Krohlow & A Gill of RPS.

1. Additions and/or Deletions to the Agenda: None
2. Minutes June 18, 2010: tabled
3. Turnover Audit: Completion date, Developer responsibility: Hatle sent an email to Janklow stating audit would be complete at end of this week (8/6/10). Nelson and Melun said that was not satisfactory. Luppens made motion to retain a forensic accountant to devise strategy for examining accounting records; Nelson seconded. There was a general discussion. Hatle said that part of delay was auditor did not have an opinion letter from POA's attorney re on-going litigation and that the auditor was struggling to give an opinion as to the on-going viability of the POA. Nelson said she believed there were numerous discrepancies in the records of owners in Filings 4 & 5. Janklow, Melun, Nelson, Luppens, Spencer voted to approve.

Nelson volunteered to head committee to find a forensic auditor. There was a discussion as to what was the auditor looking for – evidence of fraud/theft or correct opening balances. Luppens made motion to spend of to \$2500 on a preliminary evaluation by a forensic auditor; Melun seconded. Luppens, Melun, Nelson, Spencer voted yes, Janklow voted no. Motion passed.

4. Owner's Club Deposit recovery: Process, logistics, payment to whom: Janklow reviewed history. Owners had made payments of \$50k, \$60k & \$70k to become members of the Brightwater Club. The deposit to transfer upon sale. Once 95% of lots sold the owners would be able to purchase the assets of the Club for a payment of \$15k/each. The holder of the escrow deposit, Marshall Funding, released the money based on their belief that it was proper.

The Board believes that the release was not proper; they believe that Marshall's successor, Bank First, has liability. They believe that there is a claim against the FDIC as it is a successor to Bank First. There was a discussion as to whether the claim would be made on behalf of the POA or individual owners. There was a discussion as to what cost should be carried by the POA in pursuing this claim. Janklow proposed sending info on how to file a claim to each owner and then bundling those claims prior to sending to the FDIC.

- Luppens reported on his research. He has filed a personal claim. Luppens to head committee to find an attorney to give the POA advice on the claim.
5. Metro District Security: POA input regarding security. Propose asking MD to spend funds on a new automated system while the money exists: Melun reported that the MD would be able to provide the same level of security through December 2011. The MD is requesting info as to what does POA want from security. Melun wanted to see what a fully automated system would look like. Spencer volunteered to investigate and report as to what equipment is now on-site and what are its capabilities. Melun made motion to explore a fully automated gate system as opposed to the currently manned system. Luppens seconded. All voted in favor. Motion passed.
 6. Demand letter to Club and Developer for their share of the current security system: there was a general discussion of open balances showing on current financial statements for Brightwater Club and CDI. These balances were part of developer's share of the automated gate system now in place. Melun made a motion to retain an attorney for purpose of sending a demand letter to developer requesting immediate payment. Luppens seconded. All voted in favor. Motion passed.
 7. Orten Update: super lien, past and future; collection activity reporting: D Sullivan updated board on activity. A motion for summary judgment of \$115k has been filed; a ruling is expected in October 2010. Nelson and Luppens asked that attorney file another super lien foreclosure against CDI as soon as proper.
 8. Other collection activity and financial update: Hatle outlined maintenance activities at related in a 7/19/10 letter to the owners. The golf course has been maintained through 7/31/10 – work to include mowing, irrigating. The course needs a weed/feed, that work has not been funded and there is no guarantee that it will take place. The funding source for the developer plans to fund work through October 2010 but there is no guarantee that that work will be funded. The developer is working with the bank and the Town of Gypsum to have them release bonding so that street work in the Tall Grass and Dollhouse areas can be completed. No work is planned for Mountain Spur or Wrangler.
 9. Grounds and Physical Plant Maintenance: Lights, roads, signage, entry facility, plant material, snow removal, entry gate system: There was a general discussion. Janklow reviewed attorney opinion letters of 12/9 & 8/10. 12/9 letter speaks to a general obligation of the POA to maintain common areas; the 8/10 letter speaks to an obligation of the developer to fully fund the maintenance activity until control given to board (developer is obligated to maintain its own lots in similar manner to other owners). Nelson and Luppens want to do no non-essential maintenance; Melun supported that position. Lynn Janklow and Spencer asked for more maintenance so that weeds are controlled and other infrastructure is maintained.

Nelson has contacted Town of Gypsum re current weed control issues. Town will be working w/Eagle County weed control department to do standard weed control; cost to be billed to appropriate owners.

Due to time constraints the Board agreed to continue the discussion at the next meeting. The Board will review the attorney letters and get input from the assessment strategy committee re funding maintenance.

10. Discuss acceptance or rejection of common area elements from the Developer: tabled
11. Metro District Golf Course Operator: Purchase and operate: tabled
12. Garfield and Hecht – Outstanding Billing of \$7455: tabled
13. Eagle Valley Land Trust Billing: tabled
14. Assessment Strategy Committee: Appoint Karl Mosch, Dave Smith, Susan Boothby, Patty Parker and Janet Spencer. Mosch to chair
15. Set Next Meeting: The next Board meetings will be August 19, 2010 at 2 p.m. and September 24, 2010, time to be determined. The August meeting will be held via telephone.
16. Adjournment at 4:10 p.m.