

Revised Draft - RECORD OF PROCEEDINGS

Brightwater Club POA
Board of Directors Meeting
November 18, 2010

1. The meeting was called to order at 2:10 p.m. by President J Nelson. The meeting was held via telephone conference call.

Directors Present: J Nelson, J Spencer, D Janklow, R Melun, C Luppens.

Others present: K Mosch, D Gray, J Cook, L Janklow, D Luppens, D Smith, M Budd, J Higgins and also K Krohlow & A Gill of RPS.

There were no additions or deletions to the agenda.

2. The Board confirmed new officers. J Nelson – President; D Janklow – Treasurer; R Melun – Secretary. Luppens and Spencer are members at large

3. Approve Minutes of September 24, 2010. Melun motion to approve, Janklow second, motion approved unanimously w/following amendments – correct spelling of Valaqua and change numbering so that report by Kyle has separate paragraph.

4. 2011 Budget and Assessments.

The board agreed that, due to large amount of receivables, the 2010 financial statements would be presented using cash accounting.

There was a brief discussion of how to address the working capital deposits paid by most owners at their closing. Based on discussion with several POA Accounting Professionals, Nelson recommended that a reserve should be established for these refundable capital deposits deposits. No action.

There was a brief discussion of need to have a reserve study done. Nelson is working to obtain bids for a professional Reserve Study which will help determine proper funding for capital & maintenance reserves.

There was a general discussion of how to handle bad debt. There is no plan to forgive any bad debt. Bad debt will be reserved against in the financial statements but not forgiven.

Nelson made a line-by-line presentation of each expense. There was a general consensus that the expenses were correct.

There was a general discussion of what would be the appropriate level of assessments. Nelson presented two proposals – one at a \$500/quarter assessment and one at a \$400/quarter assessment. Both proposals included a discount for owners that were

current. Owners who were current would receive a discount if they paid a full year's assessments in advance and a smaller discount if they paid quarterly.

Janklow made motion, Nelson second to approve a \$400/quarter assessment budget with potential early payment discounts, but to not be specific as to how the assessment revenue would actually be assessed and collected. Janklow voted yes; Nelson, Melun, Spencer, Luppens voted no.

Luppens made motion, Nelson second to approve a \$400/quarter assessment budget with a discount of 20% if annual dues are paid in full by some stated date, perhaps 2/28/11. Melun, Spencer, Nelson, Luppens voted yes, Janklow voted no.

5. Annual Meeting:

Nelson reviewed packet as presented. The Board was in general agreement that the packet was acceptable. Spencer wants to discuss general maintenance at the annual meeting. That issue will be placed on agenda at the annual meeting.

6. Orten Legal Agreement:

There was no review as proposal arrived late.

7. Recovery of Escrow Deposit:

Jim Higgins, who previously had been the developers CFO, addressed the Board. He had reviewed previous minutes and wanted to know why the Board was addressing this issue. His concern was whether this was something that individual owners should be addressing as opposed to the Board.

Janklow addressed his question and reviewed process to date. Because this is a matter which affects a large number of members who purchased lots, the Board has been advised by counsel that it is appropriate for the POA to look into and provide information to the membership concerning the escrowed deposits and whether they are still escrowed to secure completion of Club facilities. If they are no longer being held in escrow, which is the case, then determining disposition and location of the funds and procedures for recovery of the deposits by individual members is appropriate. Janklow stated that \$990 had been spent to look into this matter.

8. Meeting adjourned at 3:30 p.m.

I – Call to Order, Confirm Quorum, Additions/Deletions to the Agenda – J. Nelson

II – Officer Position Changes

III - Approve Minutes of Prior Board Meeting (September 24, 2010) – J. Nelson

IV – Business Topics for Discussion

- 2011 Budget and Dues Assessments
- 2010 Annual Meeting & Election Packet Review
- Other Topics

VIII – Adjourn – J. Nelson