

**TOWN CENTER HOMEOWNERS ASSOCIATION**  
**MINUTES OF SPECIAL BOARD OF DIRECTORS MEETING**  
**JUNE 17, 2019**

The board of directors met in person and via conference call at Town Center building in Green Line Architects boardroom. The meeting was called to order at 2:05pm. Board members present were Gary Moss and Steve Novy. Via conference call was Penn Newhard. Bill Smith was physically present and Nate Simmons via conference call as owner representatives. Also present was Courtney Nel from Silver Mountain Properties, Courtney assumed the role of Secretary to prepare a record of the proceedings.

**1. Purpose of Meeting**

The president, Steve Novy, called a special board meeting to discuss the issue regarding the negotiations surrounding the sale of Tract A by the Master Association (MA). The Association's attorneys are meeting with Pickwick, LLC attorneys tomorrow and require board directions regarding negotiating terms of settlement for Tract A.

**2. Discussion**

The Association's attorney, Kelcey C. Nichols, called in to the meeting and briefed the board on their upcoming meeting with Pickwick, LLC attorneys and requested direction from the board regarding negotiating a settlement amount with regards to the sale of Tract A which is part of the common elements held by the MA of which Town Center Lot 19 hold a 12.8% share in. She informed the Board that there is a pending sale and it seems that Pickwick would like to settle this matter with some urgency.

In brief, Pickwick, LLC requested a meeting to discuss the matter and possibly seek a settlement arrangement between the parties. Two issues were discussed, namely, the sale of real property described as Tract A as well as the original use of 4 parking spaces to be allocated within future developments. Regarding the Tract A sale the question asked was if the Association should base their settlement amount on a percentage bases (12.8% of sale value) or on a flat fee and if the parking spaces should be included or not. The attorney requested a wish list starting with what the Association would like to get followed by what would be acceptable as a middle range and what the lowest range would be. After some discussion the board felt that the best approach would be to only mention the first option as to what they would like to get out of it and see what the opposing party's reaction would be, if this is unacceptable to them then the board would meet again and discuss other options for further negotiations. Kelcey thought that a flat fee of \$50K seemed to be a reasonable figure. At 2:13pm Kelcey ended the call, Penn Newhard and Nate Simmons joined the meeting via conference call at 2:13pm.

Nate asked for a brief review on the matter as he was not sure why this was such a big issue, Steve explained how Pickwick went about trying to dissolve the MA without full disclosure to the members, he felt that Pickwick through their attorneys tried to dissolve the MA to be able to get full ownership of the MA property and sell it off without having to compensate or have any

interference of the other MA members. Steve further explained that the process undertaken by Pickwick was unlawful and contrary, according to our attorney, to the MA declarations. As a majority owner Pickwick attempted to dissolve the MA by saying it was a dormant entity and only a liability for the members regarding the walkway easement between Colorado road and the Promenade. If the MA was dissolved then Pickwick would be the sole owner of all property including the former common elements of the MA and would benefit directly from the proceeds of a sale without compensating the other members. Our attorney wrote a response letter to Pickwick detailing all the reasons why we believe their actions were unlawful and contrary to the MA declarations and thereby stating that the MA could not be dissolved and that they acted in an unlawful capacity by their actions, also that they had an conflict of interest and could not proceed with any action without the majority vote of the executive board of the MA, which entity was never set up. Both Penn and Nate felt that as long as the easement could be guaranteed in perpetuity then they would not have a reason to pursue monetary compensation for the sale of Tract A, they felt it is the neighborly way of moving forward. Steve responded by saying that Pickwick initiated the process without proper consultation and acted in a non-neighborly fashion which did not sit well with him, Bill Smith agreed with this sentiment and stated that by their actions the Town Center Lot 19 Condominium Association, Inc should be compensated not only for the real property but also for the right of use to the 4 parking spaces as originally agreed.

Nate enquired about the cost to the association to date and if warranted to continue with legal fees. Steve responded by saying that the cost to date was about \$4400 with a retainer of R500, if pursued and the association is compensated for Tract A then it would be in the Associations best interest to continue seeking monetary compensation. Nate suggested putting a cap on legal expenses or time constraints, Steve was of the opinion that this would not take much more time and even if it is not resolved soon then we have time on our hands to wait it out without further legal costs. The members then discussed various options as to what an acceptable settlement would be together with two other options if the fist is not achieved. The following was agreed upon as options:

- 1) To settle without further pursue the association would accept a monitory settlement of \$100,000.00 cash and ownership of the 4 parking spaces.
- 2) \$50,000.00 cash with the 4 parking spaces.
- 3) \$25,000.00 cash with the 4 parking spaces.

It was agreed that the attorney would only pursue option 1 as a starting point if needed and would revert back to the board if opposing attorney did not accept that.

Penn and Nate wanted to state for the record that if the easement remains and is in perpetuity then they would not pursue monetary compensation.

With this said Steve Novy motioned that the Board accepted the above options and direct their attorney, Kelcey Nichols, to start negotiations based on option 1 (\$100,000.00 cash and the ownership of the 4 parking spaces) only, Gary Moss seconded the motion and all others agreed unanimously. Steve will call the attorney and instruct her per the decision.

With no further business to discuss the meeting was adjourned at 3:02pm.