

A Message from the Boards for FRMD Nos. 2 & 3

There are a lot of questions surrounding the resignation of all the Brookfield's directors from the boards for FRMD Nos. 1, 2 and 3, and how that will affect Solterra residents. As the remaining directors serving on the boards for FRMD Nos. 2 and 3, and as concerned residents, our goal is to help keep our community informed about this matter as it develops. Below is a brief overview of the recent events, which will be updated in Solterra-Connect as additional information becomes available.

Timeline of Events:

June 30, 2017 – Brookfield's legal counsel provided notification that all Brookfield board members have resigned their seats on FRMD Nos. 1, 2 and 3, effective immediately. This resignation was concurrent with the date that the signatures to recall the Brookfield board members on FRMD Nos. 2 and 3 were to be verified. The resignations resulted in immediate cancellation of the recall. Notification to residents of these events via eblast was delayed since Overlook Property Management had already closed for the long weekend. However, the recall group was contacted and asked to post the information on social media in order to promptly get the message out to the community.

Week of July 3, 2017 – With the long holiday weekend, many of the affected activities were closed Friday, Monday and Tuesday, which delayed the ability of the boards for FRMD Nos. 2 and 3 to ascertain what Brookfield's plan was for FRMD No. 1, given that it now had no board members.

July 17, 2017 – Kristen Bear, Esq., whose firm is legal counsel to FRMD Nos. 1, 2 and 3, began preparing an Emergency Motion designed to allow the boards for FRMD Nos. 2 and 3 to assume control of FRMD No. 1's operations and maintenance.

July 21, 2017 – Kristen Bear advised the board members for FRMD Nos. 2 and 3 that she had been informed by Brookfield's attorney that he would be filing a motion with the Jefferson County District Court to appoint a receiver to assume control over FRMD No. 1. She further advised the Boards that she had a potential conflict of interest and could not represent FRMD Nos. 2 and 3 in any dispute with FRMD No 1. Ms. Bear advised the board members for FRMD Nos. 2 and 3 that we should seek special counsel for all matters regarding FRMD No. 1. Since Ms. Bear could not file the Emergency Motion as a result of her conflict, the board members for FRMD Nos. 2 and 3 jointly decided that the Emergency Motion needed to be filed immediately to protect the community. John Corbett, who is a FRMD No. 3 board member, volunteered to file the Emergency Motion with the Court that afternoon on behalf of the boards for FRMD Nos. 2 and 3. Concurrently, Kathleen Kelley, who is a FRMD No. 2 board member, contacted Dino Ross with the law firm of Ireland Stapleton Pryor and Pascoe regarding possibly representing FRMD Nos. 2 and 3 in their disputes with Brookfield and FRMD No. 1 (which is completely controlled by Brookfield).

July 23, 2017 – FRMD No. 3 board member, Alex Dudik, submitted his resignation, effective immediately, leaving John Corbett as FRMD No. 3’s sole board member.

July 24, 2017 – Dino Ross, a partner with Ireland Stapleton, attended the special meeting of the boards for FRMD Nos. 2 and 3, held at the Retreat at 10:30 am. Mr. Ross provided the members of the boards and the residents in the audience with an overview of the firm, its special districts attorneys, and Mr. Ross’ 25 years of experience in representing special districts as general counsel and special counsel. Mr. Ross emphasized that he does not represent developers and developer districts, such as FRMD No 1. He concluded by responding to questions from the audience. The boards for FRMD Nos. 2 and 3 voted to retain Ireland Stapleton as special counsel.

July 25, 2017 – Ireland Stapleton filed a motion with the Court requesting that it not rule on Brookfield’s request for a receiver or the Emergency Motion at this time and instead schedule a status conference with the parties to determine how to proceed. The Court granted the motion and has directed the parties to schedule a status conference with the Court. The Court denied Brookfield’s request for a receiver at this time.

Next Step:

The boards for FRMD Nos. 2 and 3 will hold a special meeting on Thursday, July 27 from 4:00 - 5:30 p.m. at the Retreat with an agenda focused on an update from Ireland Stapleton, discussion of the interview and board member appointment process, and discussion of the conditional land contribution relating to the second pool.