

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE WILLOW BROOK METROPOLITAN DISTRICT

Held: Friday, April 29, 2011, at 3:00 p.m. at
The Gate House, 524 Ruby Road,
Silverthorne, Colorado.

Attendance

The special meeting of the Board of Directors of the Willow Brook Metropolitan District was called and held, as shown, in accordance with Colorado law. The following directors confirmed their qualification to serve on the Board:

Donald Samuels, President
John Longhill, Vice President
Lynda Kull, Secretary/Treasurer (via telephone)
Susanne Muller, Assistant Secretary/Treasurer

Also present were:

David W. Robbins, Esq.; President, HOA
Eric Kircher; Metro Services II
Doug Tormey; HOA Representative
Dave Spencer; HOA Representative
Glenn Morse; Gore Range Outfitters
Mike Good; Resident
Roger Haston; Resident
Sue Blair and Eileen Eckert; Community Resource Services LLC (CRS)

Call to Order

Director Samuels noted that a quorum of the Board was present and the meeting was called to order at 3:00 p.m.

Disclosure of Conflicts of Interest

Director Samuels asked whether or not members of the Board had conflicts of interest on matters coming before the Board. Both Directors Kull and Samuels disclosed that they are boarders at the stable. There were no other perceived conflicts to disclose.

Agenda

The agenda for the District's meeting was amended, adding V. Haying Contract Discussion and VIII.A Board Vacancy. Director Longhill moved to approve the agenda as amended above. Upon second by Director Muller, vote was taken and motion carried unanimously.

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HOA Matters

Mr. Robbins addressed the Board stating that he will have to leave the meeting early due to a scheduling conflict. Director Samuels stated that the Board would accommodate his schedule, and once a quorum of the HOA Board was present, the Metro District Board would temporary adjourn the meeting to allow the HOA Board to meet. Additionally, Mr. Robbins requested that at the end of the Metro Board agenda, the HOA meeting be noted, including a standard meeting agenda.

Temporary Adjournment

Director Samuels moved that the Board temporarily adjourn the meeting to allow the HOA Board to meet, and then to reconvene into General Session. Upon second by Director Muller, vote was taken and motion carried unanimously.

Reconvene General Session

The Board reconvened into General Session at 3:32 p.m.

Minutes

Director Samuels stated that the Board has requested that Ms. Blair prepare transactional minutes.

The Board reviewed the minutes of the February 18, 2011 regular meeting. Director Muller moved to approve the minutes as amended. Upon second by Director Kull, vote was taken and motion carried unanimously.

The Board reviewed the minutes of the March 4, 2011 special meeting. Director Kull moved to approve the minutes as presented. Upon second by Director Samuels, vote was taken and motion carried unanimously.

The Board reviewed the minutes of the March 14, 2011 special meeting. Director Muller moved to approve the minutes as amended. Upon second by Director Longhill, vote was taken and motion carried unanimously.

Financial Matters

A. Claims - The Board reviewed the claims presented for payment, represented by checks numbered 4794 through 4803, totaling \$17,042.51. Director Muller moved to approve the payment of the claims presented. Upon second by Director Kull, vote was taken and motion carried unanimously. Check number 4802 will be held until the remainder of the District's records is received by CRS.

B. Cash Position - The Board reviewed the cash position statement dated April 20, 2011. Director Longhill moved that the cash position statement be approved as presented. Upon second by Director Muller, vote was taken and motion carried unanimously.

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C. Financial Statements - The Board reviewed the financial statements for the period ending March 31, 2011. After discussion, it was agreed that a “2-month period” column would be added to future financial statements.

D. 2010 Audit - Ms. Blair reported that Mr. Schilling has agreed to provide a draft audit for the Board to review at the June 17th regular meeting, which will give sufficient time to finalize the audit and file with the State Auditor’s office prior to the July 31, 2011 deadline.

E. Investments - The Board reviewed interest rates for short-term Certificates of Deposit. After discussion, Director Samuels moved that the Board authorize Ms. Blair to transfer \$240,000 from the ColoTrust Plus General Account (currently earning 0.16%) to a banking institution currently earning approximately 1% (Redstone Bank or Front Range Bank), and for her to verify with the bank that is chosen that there is no penalty for early withdrawal. Upon second by Director Muller, vote was taken and motion carried unanimously.

Future Water Line Replacement Project

The Board reviewed two series of emails regarding potential placement of the new water lines and pipe size installation. After discussion, the Board determined the following regarding the water line replacement project: (1) installation of 6” pipe; (2) not installing T’s for potential future installation of fire hydrants; and (3) replacing the waterline in existing trenches, unless Eric Kircher has a specific reason in some areas not to.

Thompson Litigation Update

Mr. Robbins updated the Board on the status of the Thompson litigation, and, after discussion, he recommended that the Board consider offering the Trustee \$3,000 to settle all non-exempt claims under the bankruptcy. Leslie Miller will take the offer to the Trustee. If the Trustee agrees, the \$5,000 check previously issued would be returned to the District, and a \$3,000 check would be issued to the Trustee. The District could then decide how to proceed with collecting the exempt claims. Ms. Thompson would bear the burden of proof. After discussion, Director Samuels moved that the Board offer the Trustee \$3,000 to settle all non-exempt claims. Upon second by Director Kull, vote was taken and motion carried unanimously.

Manager’s Items

A. The Board reviewed the transition report from Ms. Blair. The Board requested that Ms. Blair ask Mr. Shepherd for the fire proof cabinet that the District purchased.

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B. The Board reviewed the draft billing statement prepared by CRS and made minor revisions to the format. Ms. Blair will prepare a letter introducing CRS which will be signed by Director Samuels and included with the July water bill.

C. Ms. Blair recommended that electronic deposits be made into the District's US Bank account, instead of mailing deposits to ColoTrust. As necessary, funds will be transferred from the US Bank account to ColoTrust. The Board agreed.

D. The Board reviewed the look-ahead schedule. Director Samuels requested that the review of the draft 2012 budget be scheduled for the August 19th meeting. It may be necessary to meet in executive session in July or August to begin drafting the 2012 budget.

Barn and Stable Report

Mr. Morse reported that the stable is full with 10 horses. The Board thanked Mr. Morse for his efforts. The horses are off pasture and there are buck rail sections that are down. The following items will be discussed with the Stable Committee: (1) who fixes the buck rail?; (2) back pasture matters; (3) manure pit screenings; (4) Friends of Eagle's Nest and Forest Service projects and trail maintenance; (5) irrigation issues and the necessity to dry out one section while another section is irrigated; (6) swamp grass in pasture and the overflow from Silverthorne.

Haying Contract – Director Kull reported that the hay contract has been negotiated but she has not received the signed contract from Leo Causland. She is confident that he will sign it. Leo and Mike will be haying and stacking using their elevator for \$1.50 per bale. There will be a spring kick-off meeting scheduled in the near future. The Board thanked Director Kull for her work in negotiating the contract.

Operator's Report

Eric Kircher reported that the roads within the development are a disaster due to the heavy snow fall. If the snow is not removed, it takes longer for the roads to dry out. He does not plow the roads unless there is 4 inches of snow or more since it is too easy to dig into the road with the blade and hard on the equipment. The gate is working fine except for some squeaking due to the wind. He will replace the lock box and shave the stone so it moves more freely. He has received quotes for recycled asphalt and milling for the roads. He further reported that the motor was lost at Well #2 and the cost of the new motor is \$1,235. The bleeder lines are still running.

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- Forest Service Fire Break** Mr. Spencer reported that he will be meeting with a Forest Service representative in the near future regarding work on the fire break.
- Fire Mitigation** The grant ends in mid-May. However, Pat Tormey is working to extend the deadline because the heavy snow amounts have delayed the completion of the project. Also, she will ask that the Wingate's home be included in this grant.
- Area Development Updates** Lot 49 – Director Longhill reported that Mr. Anderson wanted to install a 7' x 10' concrete wall on his property. The Architectural Control Committee declined the request. The wall may be included with future plans for the garage, however a bare concrete wall will not be approved by the committee.
- Board Nomination** Dr. Doug Tormey nominated Peter Grady to fill the vacancy on the Board. Mr. Grady is a commodities trader and he has expressed interest in serving on the Board. Director Samuels moved that the Board appoint Peter Grady to fill the existing vacancy on the Board of Directors. Upon second by Director Kull, vote was taken and motion carried unanimously.
- Adjournment** Director Kull moved that the meeting be adjourned. Upon second by Director Longhill, vote was taken and motion carried unanimously.

Respectfully submitted,



Secretary for the Meeting