

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
EAGLE BEND METROPOLITAN DISTRICT NO. 2
HELD
June 25, 2015

A regular meeting of the Board of Directors of the Eagle Bend Metropolitan District No. 2 was held on June 17, 2015 at 10:00 a.m. at the Heritage Eagle Bend Clubhouse, 23155 East Heritage Parkway, Aurora, Colorado 80016. The meeting was open to the public.

Attendance

In attendance were the following Directors:

Larry Geiger
Tom Coker
Rex Rexroat
Bruce Simner
George Arellano

Also in attendance were:

Denise Denslow and Shannon Torgerson; CliftonLarsonAllen LLP ("CLA")
Kristen Bear; White Bear Ankele Tanaka & Waldron
John Simmons; Simmons and Wheeler
Connie Smith 8127 S. Catawba Court
Will Schippers 7759 S. Valdai Court
Larry Place 23441 E. Long Place
Kris Barnes 7374 S. Alton Way
Phil Christophers 8117 S. Catawaba
Bob Harstor 7976 S. Shawnee
John Kerbaugh 23400 E. Moraine Place
Peggy & Fred Calhoun 23496 E. Canyon Place
Valerie Hess 7774 S. Biloxi Way
Sharon Robinson 7641 S. Attison
John McCracken 8214 A. Catawba Court
Joan & John Brown 8209 S. Winnipeg Circle

Call to Order

Director Coker called the meeting to order at 10:00 a.m.

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Declaration of Quorum/Director Qualifications/ Disclosures of Conflicts

Director Coker declared that there was a quorum and that all Board members were qualified to serve. The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors and to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with Statute. It was noted by the Board that disclosures of potential conflicts of interest statements for all directors have been filed with the Secretary of State's office prior to this meeting and that no additional conflicts were disclosed at the meeting.

Accept Resignation of Larry Geiger From the Role as Board President

The resignation of Director Geiger as President was accepted by the Board. Director Coker asked if the resignation letter could be posted on the website. Ms. Bear confirmed that it is a matter of public record and recommended that it be posted on the District's website.

A. Election of New Officers

Director Arellano reported to the Board regarding the Special District Association of Colorado workshop he attended a couple of weeks ago. He recommended the Board not elect new officers until the July meeting until a discussion could be held regarding the requirements and responsibilities of each position. He noted the role of President could be handled by the Vice President, the Managing Agent or another Board officer in the absence of the Vice President. Director Arellano went on to ask Attorney Bear about operations versus Policy with CliftonLarsonAllen LLP handling operations and polices being implemented by the Board. Attorney Bear stated there are no statutory requirements to have a President or other officers. Attorney Bear went on to state that significant decisions need to be made by the Board as a whole.

Following discussion, upon a motion duly made by Director Geiger, seconded by Director Simner and, upon vote unanimously carried, the Board approved Director Coker as President.

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Following discussion, upon a motion duly made by Director Coker, seconded by Director Simner and, upon vote unanimously carried, the Board approved Director Geiger as Treasurer.

Following discussion, upon a motion duly made by Director Coker, seconded by Director Rexroat and, upon vote unanimously carried, the Board approved Director Simner as Secretary.

Following discussion, upon a motion duly made by Director Geiger, seconded by Director Simner and, upon vote unanimously carried, the Board approved Director Rexroat as Vice President.

Following discussion, upon a motion duly made by Director Geiger, seconded by Director Rexroat and, upon vote, unanimously carried, the Board approved all offices not replaced in today's election be vacated.

Approval of Consent Items

- A. Agenda for June 25, 2015 - Amended
- B. Minutes for May 21, 2015
- C. Current Claims

Following discussion, upon a motion duly made by Director Coker, seconded by Director Rexroat and, upon vote, unanimously carried, the Board approved the consent agenda items with the discussed amendment to the agenda.

Questions were raised regarding the phone bill paid by the District on behalf of the Association for monitoring of Filing 9 and the invoices submitted for payment by Keesen for landscape services.

Public Comments

A question was asked regarding the cost of having a Manager for the District. Director Coker explained the process of selecting of the management firm. Once the firms were down to two, references were checked and then negotiations were undertaken with CLA. It made sense for the Community and the Board in terms of responsibilities, duties and transparency. He further noted the contract is an annual contract with a 30 day termination notice. It was recommended that CLA run the meetings but this is done at the Boards' discretion. CLA answers to the Board and the Community.

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A question was raised regarding the annual cost for maintenance of the park. Ms. Denslow noted that the landscaping maintenance agreement is not broken down by specific areas as it is an annual maintenance fee for the entire District. The biggest concern is what percentage of contract is for the park and could further cost cutting measures take place. Ms. Denslow requested time to research and to report back to the constituent with an answer. The monthly maintenance cost is currently \$1,300.00 for the entire District.

The following concerns on the website were stated:

- Increase visibility of meeting date
- Add agendas and executed minutes timely
- Ability to send out blast emails or updates on HOA websites

Roe Sherbert thanked everyone involved with the District and the main monument/cost share project and on going working relationship.

The Board thanked Roe and the HEB Board for their work. It was noted that it may be in the best interest of the District to keep enhancing the area to perhaps lure another tenant into the vacant space.

Mr. Fletcher with Ridgeview HOA updated the Board about landscaping around the monument project completed in 2014. He also reviewed the proposals the Ridgeview HOA approved in early 2015 and is requesting funds be approved through the cost sharing project reimbursement. Director Arellano noted there are some projects the Board should approve and others that need further review. Director Coker asked questions about how the structure of the Association may affect the cost sharing project. Following discussion, upon a motion duly made by Director Coker, seconded by Director Simner and, upon vote unanimously carried, the Board approved Director Areanllo to authorize cost sharing project reimbursement.

Mr. Barnes is working through the due diligence period and is planning to build a self storage facility on the south side of the Mormon church that will consist of 8 to 9 buildings. Once the due diligence and site improvements issues are resolved, the site application will be submitted to the City of Aurora. It was noted that it makes sense to use the Eagle Bend name as it will be a tax payer within the District. It was noted that the memory care facility is close to receiving final plan approval from the City of Aurora.

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Old

Business

None.

Reports

A. Treasurer – Monthly Report

Mr. Simmons reviewed the draft 2014 audit with the Board noting the opinion is clean and unqualified. Director Simner requested the benefit of restructuring the bonds be explained as it could potentially reduce the repayment terms. Director Arellano noted that the Board is reviewing a 20 year term with a District with an A- rating and Mr. Simmons noted that the rate will be between 3.5-4%. Following discussion, upon a motion duly made by Director Geiger, seconded by Director Coker and, upon vote, unanimously carried, the Board approved the 2014 draft audit as presented.

B. Senior Vice President – Monthly Report

Director Coker reported on refinance requesting that further action wait until the recall election concludes.

C. Vice President of Water Operations – Monthly Report

The north well stopped functioning as of 3 days ago. Both wells had been working fine, but the motor and pump needs to be replaced. It should be back in operation as of July 14th and 15th. The ECCV source will be utilized if additional water is needed. ECCV sold their pipeline to WISE and this could result in the District losing water from ECCV in the next couple of years. The District will be developing a third well, but will not have ownership rights to the water. The District will be first in line for the water but there will be an increase in cost. The repair costs for the existing well are going to be between \$65,000.00 and \$70,000.00. The South well has a variable speed control sensor that is getting ready to fail. When it does fail, the cost to repair will be approximately \$125,000.00 and the well will be nonfunctioning for 1 week. The rain has helped the District stay in line with what HEB needs. HEB and the City of Aurora are aware that the north well is not functioning. Director Rexroat hopes to have terms for the 3rd well by July for review and approval by the Board.

D. Vice President of Landscape Maintenance – Monthly Report

Director Arellano reviewed the HEB proposal and briefed the Board on the meeting with Gene Bloom and Roe Sherbet. HEB will donate labor costs. Discussion followed.

E. Vice President of Communications – Newsletter and Website

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Director Simner informed the Board the newsletter went out. He went to state a couple of suggestions for next issue including an article of what CLA is doing within the District. He mentioned the website needs to be updated and maintained. More updates are needed of clean up/work session and positive work being done in the District.

F. Legal

Attorney Bear highlighted the following items in regards to the Recall Election:

- August 11– deadline to file the petition with the CLA – this triggers all subsequent deadlines. All electors who sign the petition have to be confirmed within 5 days of the petition being filed.
- The District is responsible for covering all election costs outlined in the memo.
- Once the Petition is deemed sufficient, the petition is provided to the Board and call for the election to take place. Within 10 days, the nomination process will run its course.

The cost of the recall election is to be paid from the District's general fund.

G. President's Issues

None.

H. Manager Issues

a. Ratify Engagement Letter with DA Davidson

Following discussion, upon a motion duly made by Director Coker, seconded by Director Simner and, upon vote, unanimously carried, the Board ratified approval of the engagement letter with DA Davidson.

b. Discuss Recall Election

There were questions from 2 residents regarding the specifics of the recall election as they have had no knowledge of it.

It was noted, per the Annual Administrative Matters Resolution designates Denise Denslow as the Designated Election Official. State Statute and guidelines sets forth the role and duties of the DEO.

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c. Approve Recall Election Engagement Letter with Clifton Larson Allen

Director Coker questioned the hourly rates as they are higher rates than in the existing agreement and discussed possible negotiating lower rates. Following discussion, upon a motion duly made by Director Rexroat, seconded by Director Simner and, upon vote, unanimously carried, the Board approved the Recall Election Engagement Letter with Clifton Larson Allen, LLP.

New Business

The Board discussed the joint Metro/HOA meeting. The Board agreed to move the meeting to July.

Xeriscape class is Saturday at 9:00 a.m. at the park and is being put on by the City of Aurora. Blast emails have been sent through the delegate system.

Next Meeting

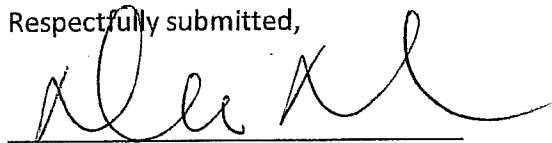
A. Confirm Quorum for Next Board Meeting to be Held Thursday, July 16, 2015 at 10:00 a.m. at the Heritage Eagle Bend Clubhouse

The Board confirmed the intent of a quorum for the next Board meeting, to be held Thursday, July 16, 2015 at 10:00 a.m. at the Heritage Eagle Bend Clubhouse.

Adjournment

Upon a motion duly made by Director Simner, seconded by Director Rexroat and, upon vote, unanimously carried, the Board adjourned at 12:28 a.m.

Respectfully submitted,



Secretary for the Meeting