

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
EAGLE BEND METROPOLITAN DISTRICT NO. 2
HELD
AUGUST 20, 2015

A regular meeting of the Board of Directors of the Eagle Bend Metropolitan District No. 2 was held on August 20, 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
George Arellano
Bruce Simner

Also in attendance were:

Denise Denslow and Shannon Torgerson; CliftonLarsonAllen LLP ("CLA")
John Simmons and Kim Stark; Simmons and Wheeler
Kristen Bear; White Bear Ankele Tanaka & Waldron
Sharon Robinson 7641 S. Addison Way
Valerie Ness 774 S. Biloxi Way
Connie Smith 8127 S. Catawba Court
Irv Reinke 22852 E. David Place
Tom & Nancy McClanahan 7955 S. Rome Court
Kathy Taylor 7982 S. Buchanan Way
Dennis Tierney 23433 E. Phillips Place
John Kerbaugh 23400 E. Moraine
Will Schippers 7759 S. Valdai
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.

Approval of Consent Items

- A. Agenda for August 20, 2015
- B. Minutes for July 16, 2015 and July 30, 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 items as presented. Prior to the vote, Director Simner requested confirmation that the repairs to the North Well had been completed and that the monument refurbishment project with the Heritage Eagle Bend Master Homeowners Association has been completed. Director Arellano noted that the monument project has been completed and a letter received from Executive Director Blum regarding acceptance of the work done at the monument. The District will invoice the Association for 50% of the work once all invoices have been received.

Public Comments

Mr. Skippers asked questions of the Board, including how the mill levy is set for the District, the cost to date for the recall election and requested that the June 25, 2015 minutes be corrected to reflect that a watermarked copy of the recall petition was requested to be placed on the District website. It was further requested that the resignation letter from Larry Geiger from the role of President be removed from the District website.

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The Board was asked if any contributions had been given to projects such as the Gaylord project in northeast Aurora to which the Board noted that no contributions have been given to projects outside the boundaries of the District.

Constituents in attendance expressed concern regarding the oversight and lack of impartiality from the District's Election Official. Ms. Bear noted that Ms. Denslow is acting as the District's Clerk and not as the DEO as the election process has not started. Ms. Denslow will be the DEO as part of the Annual Administrative Resolution however this will be re-affirmed or changed once the Board determines to move forward with the election process.

Old Business

None.

Reports

A. Treasurer's Report

Sam Sharp with D.A. Davidson was in attendance to review the term sheet provided by BBVA Compass Bank for the possible refinance of the 2005 series debt that becomes callable in December 2015. Mr. Sharp noted that the recall process makes the bond process difficult as it could impact the credit-worthiness of the District; however, a bank loan for a 15 year term is possible. Ms. Bear noted that should the Board decide to proceed with the process, the City of Aurora would have to approve the refinance and that it would have to be underway quickly to be complete by a target date of December 1, 2015.

Director Coker noted that he would like to hold a community meeting to explain the process of refinancing the debt in early September. The date of September 10 was determined to work best for the Board, Mr. Sharp, Ms. Denslow and Ms. Bear.

B. Water Operations – Monthly Report

This item was deferred until the September meeting.

C. Landscape Maintenance – Monthly Report

Director Arellano provided to Ms. Denslow a letter from Drake Asset Management regarding the native area adjacent to the xeriscape garden. Following discussion, the Board directed Ms. Denslow to respond to the letter noting that the payment for mowing the native in 2014 was not an annual agreement and that the work completed in 2015 was not done in a

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satisfactorily manner. In addition, the sidewalk that was to be installed in 2014 has not been completed to date.

D. Communications – Newsletter and Website

This item was deferred until the September meeting.

E. Legal

a. Discuss Pending Election Process

Ms. Bear explained the legal process and noted that the recall process must be finalized before an election can be called for.

b. Executive Session Pursuant to C.R.S., Section 24-6-402(4)(b) for the Purposes of Receiving Legal Advice

Ms. Bear recommended the Board convene into Executive Session to receive legal advice regarding the recall process and noted that Director Geiger, Ms. Denslow and Ms. Torgerson have been requested to recuse themselves from the session.

Following discussion, upon a motion duly made by Director Coker, seconded by Director Simner and, upon vote, carried 4-0-1 with Director Geiger abstaining, the Board convened into executive session at 11:03 a.m. pursuant to C.R.S. section 24-6-204(4)(b) for the sole purpose of receiving legal advise as to the recall election, the protest presented by Director Geiger and objection thereto.

Following discussion, upon a motion duly made by Director Coker, seconded by Director Rexroat and, upon vote, carried 4-0-1 with Director Geiger abstaining, the Board reconvened into general session at 11:40 a.m.

c. Review August 17, 2015 letter from Recall Committee Challenging Protest to the Petition to Recall Larry Geiger

Following discussion, upon a motion duly made by Director Coker, seconded by Director Simner and, upon a vote, carried 4-0-1 with Director Geiger abstaining, the Board directed the Clerk to respond to the Recall Committee advising the Committee that a hearing will be held regarding the protest and deeming the objection invalid.

d. Review August 17, 2015 letter from Recall Committee Requesting Change of Venue and Consider Rescheduling Hearing

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Following discussion, upon a motion duly made by Director Coker, seconded by Director Rexroat and, upon vote, carried 4-0-1 with Director Geiger abstaining, the Board directed the Clerk to respond to the Recall Committee advising the Committee that the hearing will be held on Tuesday, August 25, 2015 at 12:00 p.m. in the Antero Room at the Heritage Eagle Bend Clubhouse at 23155 E. Heritage Parkway, Aurora, Colorado 80016.

- e. Consider Appointment and Engagement of Judge Nancy Hopf as Hearing Officer on the Protest to the Petition to Recall Larry Geiger

Following discussion, upon a motion duly made by Director Coker, seconded by Director Simner and, upon vote, carried 4-0-1 with Director Geiger abstaining, the Board appointed and engaged Judge Nancy Hopf as the Hearing Officer on the Protest to the Petition to Recall Larry Geiger.

- f. Consider Engaging Agren Blandon for Court Reporting Services

Following discussion, upon a motion duly made by Director Coker, seconded by Director Simner and, upon vote, carried 4-0-01 with Director Geiger abstaining, the Board engaged Agren Blandon for Court Reporting Services of the Hearing scheduled on Tuesday, August 25, 2015 at 12:00 p.m.

Ms. Bear noted for those in attendance that Judge Hopf is not available until Tuesday, August 25, 2015 at 12:00 p.m. and that the hearing is open to the public.

- F. President's Issues

This item was deferred until the September meeting.

- H. Manager Issues

None.

New Business

None.

Next Meeting

- A. Confirm Quorum for Next Board Meeting to be Held Thursday, September 17, 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, September 17, 2015 at 10:00 a.m. at the Heritage Eagle Bend Clubhouse.

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Adjournment

Upon a motion duly made by Director Simner, seconded by Director Rexroat and, upon vote, unanimously carried, the Board adjourned at 11:54 a.m.

Respectfully submitted,



Secretary for the Meeting