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MINUTES OF A SPECIAL MEETING  
OF THE BOARD OF DIRECTORS OF THE  
EAGLE BEND METROPOLITAN DISTRICT NO. 2  
HELD  
MAY 17, 2016

A special meeting of the Board of Directors of the Eagle Bend Metropolitan District No. 2 was held on May 17, 2016 at 8:30 a.m. at CliftonLarsonAllen LLP, 8390 E. Crescent Parkway Suite 500, Greenwood Village, Colorado 80111. The meeting was open to the public.

Attendance

In attendance were the following Directors:

Rex Rexroat  
George Arellano  
Ed Malone  
David Gruber  
Larry Moore

Also in attendance were:

Denise Denslow and Kim Herman; CliftonLarsonAllen LLP ("CLA")  
Kathy Suazo; CliftonLarsonAllen LLP (for a portion of the meeting)  
Kristen Bear; White Bear Ankele Tanaka & Waldron  
John Simmons; Simmons & Wheeler (for a portion of the meeting)  
Scott Lehman, Pure Cycle (for a portion of the meeting)  
Bruce Simner

Call to Order

Director Rexroat called the meeting to order at 8:40 a.m.

Declaration of  
Quorum/Director  
Qualifications/  
Disclosures of  
Conflicts

Ms. Denslow 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

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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.

Oaths of Office

Ms. Denslow presented the Oaths of Office for Mr. Moore and Mr. Gruber. Ms. Suazo notarized the Oaths of Office. She will file the Oaths with the State to meet all legal requirements.

District Overview  
History and Service  
Plan Authorization

Ms. Bear reviewed the history of the District, stating Eagle Bend Metropolitan District No. 3 has been dissolved and Eagle Bend Metropolitan District No. 1 is inactive. Ms. Bear noted that Eagle Bend Metropolitan District No. 2 is the only debt issuer.

Ms. Bear reviewed the results of the Election Ballot Questions, stating both items passed. She informed the Board that it is now up to them to determine the use of the funds that have been approved by the voters and they have three years to decide.

Financial Recap

Mr. Simmons reviewed the financial set up and requirements for Special Districts with the Board, noting there are strict limitations to what Special Metropolitan Districts are permitted to do and use of funds. He noted Metropolitan Districts cannot budget a deficit, cannot spend more than they have and must have an Emergency Reserve of 3% of their operating budget.

Mr. Simmons stated he will have the unaudited Financial Statements for first quarter at the May 19, 2016 Board meeting.

Overview of  
Agreements and  
Engagements

Ms. Denslow reviewed the active engagement letters.

Mr. Lehman reviewed the history of water in the District with the Board. He stated the District works with East Cherry Creek Valley, the City of Aurora and WISE to ensure all water needs are met and other options are always being considered. Director Rexroat stated one of the VFD is in danger of going out but it is being watched closely. The Board requested bids be obtained to replace the VFD before it goes out to ensure all water needs can continue to be met and there are no delays.

Board Member  
Roles, Duties and  
Responsibilities

The Board discussed moving forward Thursday, May 19, 2016.

District  
Transparency/  
Communications

The Board discussed roles outlined in the past and members to fill those roles is within compliance, noting they will vote on Board positions at the meeting on Thursday, May 19, 2016. for a flat rate to

The Board discussed quarterly instead of monthly, noting responsibilities and direction would need to be outlined for Ms. Bear attend all meetings to ensure the District all members being in attendance. Ms. Bear stated she will prepare and present a proposal to attend all Board meetings. The Board requested Ms. Bear to assist the Board

Ms. Denslow requested any comments on the use of the site by

discussed roles outlined in the past and members to fill those roles at the meeting on Thursday, May 19, 2016. discussed having Ms. Bear attend all meetings to ensure the District attendance. Ms. Bear stated she will prepare and present a proposal to attend all Board meetings. discussed possibly decreasing the frequency of Board meetings to once a month of monthly, noting responsibilities and direction would need to be outlined for Ms. Bear attend all meetings to ensure the District all members being in attendance. Ms. Bear stated she will prepare and present a proposal to attend all Board meetings. Ms. Denslow requested any comments on the use of the site by Ms. Denslow requested any comments on the use of the site by

Next Meeting

Confirm Quorum at 10:00 a.m. at the

The Board confirmed the meeting held Thursday, May 19, 2016 at the Clubhouse.

requested the Board review the District website and report back to the Board for changes for consideration. The Board noted the website is currently being updated and they would like to pair down the content and work to increase the number of constituents.

for Next Board Meeting to be Held Thursday, May 19, 2016 at the Heritage Eagle Bend Clubhouse

Adjournment

Upon a motion by Mr. Arellano and, unanimously carried, at 12:57p.m.

confirmed the intent of a quorum for the next Board meeting, to be held on Thursday, May 19, 2016 at 10:00 a.m. at the Heritage Eagle Bend Clubhouse.

motion duly made by Director Rexroat, seconded by Director Arellano, and unanimously carried, the Board adjourned at 12:57 p.m.

Respectfully submitted,



Secretary for the Meeting