

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARDS OF DIRECTORS OF

EAGLE BROOK MEADOWS METROPOLITAN DISTRICTS NOS. 1-3

**HELD
November 15, 2022**

The Combined Special Meeting of the Boards of Directors (collectively, “Boards”) of the Eagle Brook Meadows Metropolitan District No. 1, Eagle Brook Meadows Metropolitan District No. 2, and Eagle Brook Meadows Metropolitan District No. 3 (collectively, “Districts”) was held via videoconference at 12:00 p.m. on Tuesday, November 15, 2022. Notice of the combined meeting was duly posted.

ATTENDANCE: Directors in Attendance for District Nos. 1 and 3:

Robert Eck, II, President
Erik Halverson, Assistant Secretary
Donald Guerra, Assistant Secretary

Directors in Attendance for District No. 2:

Robert Eck, II, President
Hope Pruett, Assistant Secretary
Jeanne Findley, Director

Directors Absent, but Excused for District No. 2

Brett Wisniewski, Director

Also in Attendance Were:

Deborah Early, Esq.; Icenogle Seaver Pogue, P.C.
Andrew Kunkel, Kenny Parrish, Nicole Wing, Shannon McEvoy,
Randall Provencio, Adam Brix, Tracie Kaminski, Kirsten Starman, and
Christy McCutchen; Pinnacle Consulting Group, Inc.
Clarissa MacDonald; Public Attendee

ADMINISTRATIVE
ITEMS

Call to Order/ Declaration of Quorum: The meeting was called to order at 12:04 p.m. by Director Eck, noting that a quorum was present, with three of three Board members in attendance for District Nos. 1 and 3 and three of four Board members in attendance for District No. 2. The Directors in attendance confirmed their qualifications to serve.

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Director Disclosure of any potential Conflicts of Interest: Ms. Early advised the Board that, pursuant to Colorado law, Board members are required to disclose certain potential conflicts of interest regarding any matters scheduled for discussion at this meeting and prior to taking official action at this meeting. Ms. Early noted that potential conflicts of interest disclosures were filed with the Colorado Secretary of State for Directors Eck, Halverson and Guerra as required by law. Directors Wisniewski, Pruett, and Findley did not have any potential conflicts of interests to report. Additionally, the Boards determined that the participation of all Board members present was necessary to obtain a quorum or otherwise enable the Board to act.

COMBINED MEETING

The Districts are meeting in a combined Board meeting. Unless otherwise noted, the matters set forth below shall be deemed to be the actions of the Eagle Brook Meadows Metropolitan District No. 1, with concurrence by Eagle Brook Meadows Metropolitan District Nos. 2 and 3.

APPROVAL
OF AGENDA

The Boards considered the agenda. Upon motion duly made by Director Pruett, seconded by Director Eck and, upon vote, unanimously carried, it was

RESOLVED to approve the agenda, as presented.

PUBLIC COMMENT

There were no comments made by members of the public.

CONSENT AGENDA

The Boards considered the following items on the consent agenda:

- A. Approval of Minutes – February 4, 2022, Special Meeting.
- B. Ratification of Payables.
- C. Ratification of Contract Modifications.

Following review and discussion, upon motion duly made by Director Eck, seconded by Director Guerra and, upon vote, unanimously carried, it was

RESOLVED to approve the consent agenda items, as presented.

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FINANCIAL ITEMS

Financial Report: Ms. Kaminski presented the September 30, 2022, Financial Statements to the Boards and answered questions. Following review and discussion, and upon motion duly made by Director Findley, seconded by Director Pruett and, upon vote, unanimously carried, it was

RESOLVED to accept the September 30, 2022, Financial Statements as presented.

2022 AMENDED BUDGET HEARING

Director Eck opened the 2022 Amended Budget Hearings for District Nos. 1 and 3. It was noted that notice of the hearings had been published on October 30, 2022 in *The Loveland Reporter-Herald* in accordance with state budget law. Ms. Kaminski reviewed the amended budgets for District Nos. 1 and 3. There being no public input, Director Eck closed the hearing. The Board reviewed the amended 2022 budgets, which amended total expenditures in the General Fund and Capital Fund for District Nos. 1 and 3 to the following amounts:

District No. 1

General Fund: \$406,625

Capital Fund: \$1,627,831

District No. 3

General Fund: \$213,692

Capital Fund: \$4,113

After review and discussion, upon motion duly made by Director Eck, seconded by Director Guerra and, upon vote, unanimously carried, it was

RESOLVED to approve the Resolutions to Amend the 2022 Budgets for District Nos. 1 & 3.

2023 BUDGET HEARING

Director Eck opened the 2023 Budget Hearings for District Nos. 1, 2 and 3 to the public. It was reported that notice of the budget hearings had been published in accordance with state budget law on October 30, 2022 in *The Loveland Reporter-Herald*. Ms. Kaminski reviewed the proposed 2023 budget for each District. There being no public input, the public hearings were closed. The Boards reviewed the 2023 budgets, with total estimated revenues and expenditures and associated mill levies as follows:

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District No. 1

Mill Levy is 65.000 mills
General Fund: \$505,452
Debt Service Fund: \$588
Capital Fund: \$381,994

District No. 2

Mill Levy is 66.936 mills
General Fund: \$109,122
Debt Service Fund: \$360,400

District No. 3

Mill Levy is 65.000 mills
General Fund: \$3,655
Debt Service Fund: \$361,870

Following review and discussion of the 2023 budgets for District Nos. 1 and 3, and upon motion duly made by Director Eck, seconded by Director Guerra and, upon vote, unanimously carried, the Board members of District Nos. 1 and 3

RESOLVED to approve the Resolutions to Adopt the 2023 Budgets for Eagle Brook Meadows Metropolitan District Nos. 1 and 3, Certify the Mill Levies, Appropriate Budgeted Funds and approve all other documents related to the adoption of the 2023 budgets. The District's Manager and Finance and Accounting Manager are authorized to make minor modifications necessary subject to receipt of the final certification of assessed valuation from Larimer County.

Following review and discussion of the 2023 budget for District No. 2, and upon motion duly made by Director Pruett, seconded by Director Findley and, upon vote, unanimously carried, the Board members of District No. 2.

RESOLVED to approve the Resolution to Adopt the 2023 Budget for Eagle Brook Meadows Metropolitan District No. 2, Certify the Mill Levies, Appropriate Budgeted Funds and approve all other documents related to the adoption of the 2023 budget. The District's Manager and Finance and Accounting Manager are authorized to make minor modifications necessary subject to receipt of the final certification of assessed valuation from Larimer County.

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FINANCIAL ITEMS CONT.

2021 Audit for District Nos. 1 & 3: Ms. Kaminski reviewed the 2021 Audit for District Nos. 1 & 3 with the Boards and answered questions. Following review and discussion, upon motion duly made by Director Eck, seconded by Director Guerra and, upon vote, unanimously carried, it was

RESOLVED to ratify the 2021 Audit for District Nos. 1 & 3.

2021 Audit Exemptions for District No. 2: Ms. Kaminski requested ratification of the 2021 Applications for Exemption from Financial Audit for District No. 2. Following review and discussion, upon motion duly made by Director Pruett, seconded by Director Findley and, upon vote, unanimously carried, it was

RESOLVED to ratify the 2021 Applications for Exemption from Financial Audit for District No. 2.

Engagement of 2022 Auditor: Ms. Kaminski discussed the services necessary to perform the 2022 Audit for District No. 1 and District No. 3. Following review and discussion, upon motion duly made by Director Pruett, seconded by Director Findley and, upon vote, unanimously carried, it was

RESOLVED to engage John Cutler & Associates to perform the 2022 Audit.

CAPITAL INFRASTRUCTURE ITEMS

District Capital Infrastructure Report: Mr. Provencio reviewed the District Capital Infrastructure Report with the Boards and answered questions.

Capital Fund Summary: Mr. Provencio reviewed the Capital Fund Summary with the Boards and answered questions.

LEGAL ITEMS

Resolution Imposing Operations and Maintenance Fees: Ms. Early presented the Resolution Imposing Operations and Maintenance Fee, which fee was discussed as part of the 2023 budget hearings and made part of the 2023 adopted budget for District No. 1. Following review and discussion, and upon motion duly made by Director Eck for Districts Nos. 1 - 3, seconded by Director Guerra for District Nos. 1 and 3, and seconded by Director Pruett for District No. 2, and, upon vote, unanimously carried, by District Nos. 1 – 3, it was

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RESOLVED to approve the Resolution Imposing Operations and Maintenance Fees.

2023 Annual Administrative Matters Resolution: Ms. Early presented the 2023 Annual Administrative Matters Resolution to the Boards and answered questions. Following review and discussion, upon motion duly made by Director Eck, seconded by Director Guerra and, upon vote, unanimously carried, it was

RESOLVED to approve the 2023 Annual Administrative Matters Resolution, as presented.

2023 Meeting Resolution: Ms. Early presented the 2023 Meeting Resolution to the Boards and answered questions. For 2023, the Boards discussed changing its 2023 regular meeting dates to the first Thursday of the second month of each quarter at 10:00 a.m. and designate the Districts' website as the 24-hour posting location of all meeting notices. Following review and discussion, upon motion duly made by Director Eck, seconded by Director Pruett and, upon vote, unanimously carried it was

RESOLVED to approve the 2023 Meeting Resolution as amended to change the dates and times to the first Thursday at 10:00 a.m. and the first Thursday in November at 10:00 a.m.

2023 Election Resolution for District Nos. 1 & 3: Ms. Early presented the 2023 Election Resolution to the District No. 1 and No. 3 Boards for the Boards to call a regular special district election, scheduled for May 2, 2023, for District No. 1 and No. 3. Following review and discussion, upon motion duly made by Director Eck, seconded by Director Guerra and, upon vote, unanimously carried, it was

RESOLVED to approve the 2023 Election Resolution for District Nos. 1 & 3.

2023 Election Resolution for Districts No. 2: Ms. Early presented the 2023 Election Resolution to the District No. 2 Board for the Board to call a regular special district election, scheduled for May 2, 2023, for District No. 2. Following review and discussion, upon motion duly made by Director Pruett, seconded by Director Findley and, upon vote, unanimously carried, it was

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RESOLVED to approve the 2023 Election Resolution for District No. 2.

Second Amendment to 2021 Funding and Reimbursement Agreement with Front Range Investment Holdings, LLC (“FRIH”), and in connection therewith, Refunding Subordinate Note and Issuance of new Subordinate Note to FRIH to Secure Repayment for Operating Advances: Ms. Early presented to the Boards, a Second Amendment to 2021 Funding and Reimbursement Agreement with Front Range Investment Holdings, LLC (“FRIH”), and in connection therewith, a new Subordinate Note to be issued to FRIH, which note refunds an existing subordinate note, to secure repayment of operating advances and answered questions. Following review and discussion, upon motion duly made by Director Eck, seconded by Director Guerra and, upon vote, unanimously carried, it was

RESOLVED to approve the Second Amendment to 2021 Funding and Reimbursement Agreement with FRIH, and in connection therewith, refunding the existing subordinate note with the Issuance of a new subordinate note to FRIH.

Fourth Amendment to Improvement Acquisition, Advance, and Reimbursement Agreement with FRIH for Capital Advances: Ms. Early presented to the Boards, a Fourth Amendment to Improvement Acquisition, Advance and Reimbursement Agreement with FRIH for Capital Advances and answered questions. Following review and discussion, upon motion duly made by Director Eck, seconded by Director Guerra and, upon vote, unanimously carried, it was

RESOLVED to approve the Fourth Amendment to Improvement Acquisition, Advance, and Reimbursement Agreement with FRIH for Capital Advances.

Eagle Brook Meadows Maintenance Cost Sharing Agreement with Eagle Brook Townhomes Association: Ms. Early and Director Eck discussed the operation and maintenance of future public improvements in District No. 3 and that District No. 1 contemplates entering into a cost sharing agreement with the townhomes’ homeowner association in District No. 3 for maintenance of the public improvements.

Acceptance of Open Space parcels from Front Range Investment Holdings, LLC: Ms. Early indicated that Front Range Investment Holdings would like to convey the open space parcels to District No. 1 for ownership and

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maintenance. Ms. Early will work with Front Range on the conveyance of the open space parcels.

District Consolidation Update: Ms. Early indicated that property within District No. 3 is still under development by Front Range Investment Holdings. Until the property is further developed and includes residents that can contribute towards the costs of consolidation and the future operations of a consolidated district, it was determined that it would be in the best interest of the Districts to defer consolidation plans. Ms. Early notified the City Attorney of the Districts desire to defer consolidating at this time.

MANAGEMENT AND
OPERATIONAL
MATTERS

District Management Report: Mr. Kunkel presented the management report to the Boards and answered questions. Ms. McCutchen reviewed the community management report with the Boards and answered questions. Ms. McCutchen reported that the most reported violations are trash cans being left out and weeds in planter beds. Director Findley inquired about design applications and residents who move forward with implementing landscaping without approval. Ms. McCutchen stated that covenant enforcement is completed once per month and requested that if there are concerns to contact Pinnacle Consulting Group, Inc. Mr. Brix reported that the irrigation system has been winterized and the storm structures have been cleaned out. Reseeding of the east native area will be completed soon. Director Pruett inquired about the ownership of a piece of land west of the District as it is not being maintained. Director Pruett also inquired about the amount of water the District used and if there were extra costs associated with going over the allotted amount. Ms. Starman stated that the District is still within the two-year grace period established in the Hydrozone Agreement with the City of Loveland so there were no fines issued for being over budget on water use this year. The facilities team is tracking the water usage and is in regular communication with the contractor regarding usage and the water budget.

Installation of Pet Waste Stations: Mr. Brix reviewed the map of where the of Pet Waste Stations will be installed with the Board and answered questions. Director Eck asked if maintaining nine pet waste stations is appropriate. Mr. McEvoy stated that maintenance of pet waste stations is essential in maintaining a clean community. Mr. Brix will monitor use of the pet waste stations.

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2023 Master Service Agreements with Operations and Maintenance Service Contractors: Mr. Brix presented the 2023 Master Service Agreements with Operations and Maintenance Service Contractors to the Boards and answered questions.

- i. Foothills Landscape Maintenance
- ii. High Plains Environmental Center
- iii. SWPPP Colorado
- iv. Affordable Pest Control
- v. Fiske Electric

Following review and discussion, upon motion duly made by Director Eck, seconded by Director Guerra and, upon vote, unanimously carried, it was

RESOLVED to approve the 2023 Master Service Agreements with Operations and Maintenance Service Contractors, as presented.

Authorization to Execute 2023 Work Orders with Approved Operations and Maintenance Service Contractors within the Approved 2023 Budget: Mr. Brix requested approval for the district's management team to Execute 2023 Work Orders with Approved Operations and Maintenance Service Contractors within the Approved 2023 Budget. Following review and discussion, upon motion duly made by Director Eck, seconded by Director Guerra and, upon vote, unanimously carried, it was

RESOLVED to authorize the district's management team to Execute 2023 Work Orders with Approved Operations and Maintenance Service Contractors within the Approved 2023 Budget.

OTHER ITEMS

There were no Other Items brought before the Boards.

ADJOURNMENT

There being no further business to come before the Boards, the meeting was adjourned at 1:19 p.m.

Respectfully submitted,

Nicole Wing

Nicole Wing

Recording Secretary for the Meeting