

**CONSOLIDATED BELL MOUNTAIN RANCH METROPOLITAN
DISTRICT 8390 E. CRESCENT PKWY., STE. 300
GREENWOOD VILLAGE, CO
80111 Phone: 303-779-5710 Fax:
303-779-0348
www.BMRmetro.org**

NOTICE OF REGULAR MEETING AND AGENDA

DATE: Tuesday, February 6, 2024
TIME: 6:00 p.m.
PLACE: Lowell Ranch
2330 S. I-25, East Frontage Road
Castle Rock, CO 80104

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expires</u>
Russell Grant	President	May 2025
Steve Vrabel	Vice President	May 2025
Jay Smith	Secretary	May 2027
Jeanne Dassel	Treasurer	May 2025
John Booth	Assistant Secretary/Treasurer	May 2025

- I. CALL TO ORDER**
- II. DECLARATION OF QUORUM / DIRECTOR QUALIFICATIONS / DISCLOSURE OF CONFLICTS**

- A. Present disclosures of potential conflicts of interest.
- B. Confirm quorum and location of meeting.

III. APPROVAL OF AGENDA

IV. COMMUNITY COMMENTS

- A. Members of the public may express their views to the Board on matters that affect the District that are otherwise not on the agenda. Comments will be limited to three (3) minutes per person.

V. APM MONTHLY REPORT – John McKillip, Jr.

VI. MANAGER’S REPORT / ADMINISTRATIVE MATTERS

- A. Review and Consider Approval of the Minutes of January 2, 2024 Regular Meeting (enclosure).

VII. FINANCIAL MATTERS

- A. Review and Consider acceptance of the Bill.com claims report for January 2024 Totaling \$95,551.96 including water fund costs (enclosure).
- B. Review and Accept December 31, 2023 Unaudited Financial Statements (to be distributed).
- C. Review and Accept Cash Position Schedule as of December 2023 (to be distributed).

VIII. DIRECTOR DISCUSSION – ACTION

- A. Update on School Bus Parking on Autumn Sun Circle – Director Vrabel
- B. Certification of Tax Levies and 2024 Budget for CBMRMD – Director Grant (enclosures).
- C. Update on Fire Mitigation Project-- Director Grant.
- D. Update on BMR-TCR Water Main Connector-- Director Grant
- E. Update on COMCAST Fiber Installation – Director Booth
- F. Acquisition of the Electronic BMR Trail Application – Director Booth.
- G. Update on HOA Study to Gate BMR – Director Vrabel
- H. Update on Equestrian Center Trails and Equestrian Center Items – Director Dassel
- I. Ratify Approval of Wipfli 2023 Audit Letter of Engagement – Director Grant (enclosure)
- J. Other Director Matters.

IX. ATTORNEY MATTERS

- A. Executive Session Pursuant to Section 24-6-402(4) (b) C.R.S. for purposes of consulting with and obtaining legal counsel.

X. OTHER BUSINESS

- A. Confirm Quorum for March 5, 2024 Board Meeting.
The next regular meeting is scheduled for March 5, 2024

XI. ADJOURNMENT

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
THE CONSOLIDATED BELL MOUNTAIN RANCH
METROPOLITAN DISTRICT
(THE "DISTRICT")

HELD
JANUARY 2, 2024

A regular meeting of the Board of Directors ("Board") of the Consolidated Bell Mountain Ranch Metropolitan District ("Metro District") was convened on Tuesday, January 2, 2024 at 6:00 p.m. at Lowell Ranch, 2330 S. I-25, East Frontage Road, Castle Rock, CO 80104.

ATTENDANCE

Directors In Attendance Were:

Russell Grant, President
Steve Vrabel, Vice President
Jeanne Dassel, Treasurer
John Booth, Assistant Secretary/Treasurer
Jay Smith, Secretary

Also, In Attendance Were:

Nic Carlson; CliftonLarsonAllen LLP
Tim Flynn; Collins Cole Flynn Winn & Ulmer, PLLC
Gwen Kalvelage, 3983 Bell Mountain Drive
Jeff Wedgwood, 1520 King Mick Court
Eric Sztanko, 1756 Wildfire Circle
Larry Lomison, 501 Chandelle Road

I. CALL TO ORDER Director Grant called the meeting to order at 6:02 p.m.

II. DECLARATION OF QUORUM/ **Disclosure of Conflicts:** Upon polling, no Conflict-of-Interest Disclosures were stated by any of the Directors.

DIRECTOR

QUALIFICATIONS/ **Quorum and Location of Meeting:** A quorum and location of meeting was confirmed. Upon a motion duly made by Director Dassel, seconded by Director Vrabel and, upon vote, unanimously carried, the Board excused the absence of Director Booth.

POTENTIAL

CONFLICTS OF

INTEREST

III. APPROVAL OF Upon a motion duly made by Director Vrabel, seconded by Director Dassel and, upon vote, unanimously carried, the Board approved the Agenda, as amended to add under Section VIII Item H - Equestrian Trails and Equestrian Center, and Item I - HOA Study to Gate BMR.

AGENDA

RECORD OF PROCEEDINGS

IV. COMMUNITY COMMENTS

None.

V. APM MONTHLY REPORT

No report provided.

VI. MANAGERS REPORT/ADMINISTRATIVE MATTERS

A. Review and Consider Approval of the Minutes of December 5, 2023 Regular Meeting: Following review and discussion, upon a motion duly made by Director Dassel, seconded by Director Smith and, upon vote, unanimously carried, the Board approved the December 5, 2023 Regular Meeting Minutes, as presented.

VII. FINANCIAL MATTERS

A. Review and Consider Approval of Claims Report/Check Register for December 31, 2023 Totaling \$124,266.10, Including Water Fund Costs: Director Grant reviewed the claims with the Board. Following review, upon a motion duly made by Director Vrabel, seconded by Director Dassel and, upon vote, unanimously carried, the Board approved the claims report/check register dated December 31, 2023 totaling \$124,266.10, as presented.

B. Review and Accept Cash Position Schedule as of December 2023: Director Grant reviewed the December 2023 Cash Position Schedule with the Board. Following review, upon a motion duly made by Director Vrabel, seconded by Director Grant and, upon vote, unanimously carried, the Board accepted the Cash Position Schedule as of December 2023, as presented.

C. Approval of Proposed 2024 Budget and Adoption of Resolution to Adopt 2024 Budget: Director Grant reviewed the proposed 2024 Budget with the Board. Following review and discussion, upon a motion duly made by Director Dassel, seconded by Director Vrabel and, upon vote, the Board approved the 2024 proposed budget and Adoption of the associated 2024 Budget Resolutions-as presented.

D. Appointment of Board Officers: Upon a motion duly made by Director Grant, seconded by Director Vrabel and, upon vote, unanimously carried, the Board appointed Director Jeanne Dassel as Treasurer and Director Jay Smith as Secretary. The remaining slate of officers is unchanged, i.e. Russell Grant is President, Steve Vrabel is Vice President, and John Booth is Assistant Secretary/Treasurer.

VIII. DIRECTOR DISCUSSION-ACTION

A. Update on Fire Mitigation Project-Director Grant: Director Grant reported that Dove Creek Forestry has completed their work and that all but the last contract payment has been made. The second request for funds reimbursement is being prepared. Director Dassel will monitor the funds reimbursement process.

Director Booth will be assuming responsibility for continuing fire mitigation issues. The District does not have any plans for another large scale fire mitigation project in the near future; however, the District is responsible for maintaining the areas that have been cleared during the recent fire mitigation project. If homeowners wish to pursue

RECORD OF PROCEEDINGS

further fire mitigation efforts in their “A” and “B” zones, monetary grants are available from Douglas County.

B. Update on BMR-TCR Water Main Connector – Director Grant: Director Grant provided an update noting that the pipeline is complete except for the final connection to the Castle Rock water system in Crystal Valley. The BMR Water Treatment Plant will remain in operation until the pipeline and water storage tank connections are operationally tested.

C. Update on Comcast Fiber Installation – Director Booth: Director Booth provided an update to the Board stating that the new cable installation is about 95% complete. Direct boring has been completed and fiber cables have been pulled through the installed buried conduit. Cut over from the old coax cable to the new fiber optic cable will require an all-day service outage of COMCAST service, as 48 separate fiber strands need to be spliced. A 2-3 week advanced notice will be given preceding a planned service interruption. Road shoulder and grass restoration is yet to be completed. After the coax-fiber cut over, the marker flags will be removed.

D. Acquisition of the Electronic BMR Trail Application – Director Booth: Director Booth stated that the DUNS number (Dun & Bradstreet credit file number) for the Metro District has been acquired and that responsibility for continuing maintenance of the trail App should be transferred to Shawn Malloy (Metro District contractor) by March or April. When the App is reloaded into the system at that time, users will need to reload the App on their mobile phones.

E. Update on Roadside Drainage and Road Shoulder Repairs – Director Smith: Director Smith reported that he has submitted a claim to the Douglas County risk management office for damages to Riva Rose Circle. He is working on identifying the locations where drainage ditches need restoration, where concrete gutters need to be installed and where homeowner hillsides have filled in drainage ditches, requiring homeowner action to stabilize their hillsides to prevent further erosion.

F. School Bus Parking Signs on Autumn Sun Circle – Director Vrabel: Director Vrabel informed the Board that he has met with concerned parents regarding where to park adjacent to the defined bus stop. He has also met with APM to review the work that is to be done installing new signage to delineate the bus stop location and reserve parking for parents on Autumn Sun Circle.

G. Road Repairs at 3891 Windchant Circle – Director Vrabel: Director Vrabel reported that he received a quote from Ferguson & Sons for \$1,850 to repair the pavement. He authorized the contractor to proceed with temporary repairs. More permanent repair may be required when the weather is warmer.

H. Equestrian Trails and Equestrian Center Items: Director Dassel reported that discussions are continuing regarding Tract F and equestrian trail access, trail

RECORD OF PROCEEDINGS

maintenance and use of the BMR trail system by the Equestrian Center Boarders and guests. Currently, the District plans to have APM mow and maintain the Equestrian trails; however, the issues regarding responsibilities for fence maintenance and repair still need to be determined. Director Dassel noted that although the specific portions of fencing needing repair have not yet been specifically identified, some portions abut railroad property. The Board authorized Director Dassel to work with the new owners and have Mr. Calvin Bills help determine signage and repair needs moving forward. Director Dassel will also recommend to the new owners that they contact the railroad regarding maintenance responsibility for the equestrian fences bordering the railroad tracks.

I. HOA Study to Gate BMR- Director Vrabel: Director Vrabel exhibited the conceptual designs for gates that he had developed while he was a previous member of the HOA Gate Committee. It was pointed out that there is a significant difference between the conceptual design that Director Vrabel developed and the one the HOA is currently using for cost estimating purposes. If he is invited by the new HOA Board to participate in the HOA's ongoing investigation of the viability of gating BMR, Director Vrabel will be the Metro District's representative. The HOA has yet to sufficiently address all the legal and tax issues associated with potentially gating BMR.

**IX. ATTORNEY
MATTERS**

None.

X. OTHER

A. Confirm Quorum for February 6, 2024 Board Meeting: The Board confirmed that a quorum should be available for the February Board meeting.

XI. ADJOURNMENT

There being no further business to come before the Board at this time, Director Grant adjourned the meeting at 8:58 p.m.

Respectfully submitted,

Secretary for the Meeting

Account	PO/Cont	Check #	Invoice	Date	Date Paid	Description	Amount
10-000-06300	0	5841	L241017652	01/22/2024	01/29/2024	12 District Mgmt	4,016.10
**** TOTAL **** Clifton Larson Allen, LLP							4,016.10
10-000-06551	0	5842	40605	01/19/2024	01/29/2024	01/24 Monthly inspection	340.00
10-000-06600	0	5842	40606	01/19/2024	01/29/2024	12/24-27 Snow removal	2,805.00
10-000-06570	0	5842	40607	01/19/2024	01/29/2024	12/22-29 Bathroom clean u	260.00
10-000-06570	0	5842	40607-2024	01/19/2024	01/29/2024	01/12-19 Bathroom clean u	390.00
10-000-06600	0	5842	40608	01/19/2024	01/29/2024	01/05-15 Snow removal	11,131.25
10-000-06550	0	5842	40609	01/19/2024	01/29/2024	12/20-21 Street/Shoulder	3,920.00
10-000-06550	0	5842	40612	01/19/2024	01/29/2024	12/21 Street/Shoulder	150.00
10-000-06550	0	5842	40612-2024	01/19/2024	01/29/2024	01/18/24 Street/Shoulder	2,447.63
**** TOTAL **** Advanced Property Maintenance							21,443.88
10-000-06100	0	5843	37153	12/31/2023	01/29/2024	12 Accounting	1,508.05
**** TOTAL **** Simmons & Wheeler							1,508.05
10-000-06565	0	5844	2078	12/30/2023	01/29/2024	12/30 Remove Deer carcass	325.00
**** TOTAL **** All Animal Recovery							325.00
10-000-06450	0	5845	4970	01/08/2024	01/29/2024	12 Legal	1,787.75
40-000-06450	0	5845	4970	01/08/2024	01/29/2024	12 Legal (Water)	574.75
**** TOTAL **** Collins Cole Flynn Winn & Ulmer, PL							2,362.50
10-000-06576	0	5846	30195-01 P	01/08/2024	01/29/2024	12 Water (Park)	98.38
10-000-06576	0	5846	30196-01 C	01/08/2024	01/29/2024	12 Water (Common)	326.75
**** TOTAL **** Castle Rock Water							425.13
40-000-08157	0	5847	0076334-IN	04/06/2023	01/29/2024	03/02 Waste Water Hauling	1,365.00
**** TOTAL **** Mc Donald Farms Enterprises, Inc							1,365.00
20-000-01400	0	5848	146051	01/08/2024	01/29/2024	Fire Mitigation -AR State	32,050.00
20-000-06574	0	5848	146051	01/08/2024	01/29/2024	Fire Mitigation Project/E	16,031.30
20-000-01400	0	5848	146051	01/08/2024	01/29/2024	Fire Mitigation - AR Coun	16,025.00
**** TOTAL **** Dove Creek Forestry Inc							64,106.30
*** GRAND TOTAL ***							95,551.96

Water = \$1,939.75

2023 claims = \$81,243.08

Capital = \$64,106.30

2024 claims = \$14,308.88

General = \$25,905.91

County Tax Entity Code: 4400

DOLA LGID/SID: 18110

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO The County Commissioners of Douglas County, Colorado
On behalf of the Consolidated Bell Mountain Ranch Metro District
the Board of Directors
of the Consolidated Bell Mountain Ranch Metropolitan District**

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$30,194,870** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity 's total property tax revenue will be derived from the mill levy multiplied against the **NET** assessed valuation of: **\$30,194,870**

Submitted: *Diane Wheeler* for budget/fiscal year 2024

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	23.278 mills	\$702,876
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	23.278 mills	\$702,876
3. General Obligation Bonds and Interest	0.000 mills	\$0
4. Contractual Obligations	22.313 mills	\$673,738
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	45.591 mills	\$1,376,614

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.). Use additional pages as necessary.

The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

1. Purpose of Issue:	\$11,560,000 (Convertible to Tax Exempt) Refunding Bonds
Series:	2020
Date of Issue:	2020-02-27
Coupon Rate:	3.54% - 2.80%

Maturity Date: 2039-12-01
Levy: 0.000
Revenue: \$0

CONTRACTS

1. Purpose of Contract: Refunding Bonds
Title: Taxable (Convertible To Tax Exempt) Refunding Loan
Date of Issue: 2020-02-27
Principal Amount: \$11,560,000
Maturity Date: 2039-12-01
Levy: 22.313
Revenue: \$673,738

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Wed, 10 Jan 2024

County Tax Entity Code: 4400

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THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.). Use additional pages as necessary.

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OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Wed, 10 Jan 2024

**CONSOLIDATED BELL MOUNTAIN RANCH METROPOLITAN DISTRICT
2024
BUDGET MESSAGE**

Attached please find a copy of the adopted 2024 budget for the Consolidated Bell Mountain Ranch Metropolitan District.

The Consolidated Bell Mountain Ranch Metropolitan District has adopted budgets for four funds, a General Fund to provide for general operating and maintenance expenditures; a Debt Service Fund to provide for payments on the outstanding general obligation bond debt; a Capital Projects Fund to provide for the estimated infrastructure costs that are to be built for the benefit of the district and a Water Fund to provide for administrative expenditures and the expenses related to providing water services.

The district's accountants have utilized the modified accrual basis of accounting, and the budget has been adopted after proper postings, publications and public hearing.

The primary sources of revenue for the district will be property and specific ownership taxes. In 2024, the district intends to impose a mill levy on all property within the district totaling 45.591 mills, of which 23.278 mills will be dedicated to the General Fund and the balance of 22.313 mills will be allocated to the Debt Service Fund.

Consolidated BMR Metro District
Adopted Budget
General Fund
For the Year ended December 31, 2024

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>8/31/2023</u>	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning balance	\$ 178,773	\$ 120,142	\$ 108,216	\$ 108,216	\$ 24,697
Revenues:					
Property taxes	499,912	499,991	498,722	499,991	702,876
Specific ownership taxes	112,150	100,141	78,903	118,355	113,000
Interest	661	1,000	621	1,000	1,000
Reimbursements & other	14,018	1,000	3,678	16,000	2,000
Conservation Trust Fund	5,033	4,000	2,929	4,000	4,000
Total revenues	<u>631,774</u>	<u>606,132</u>	<u>584,853</u>	<u>639,346</u>	<u>822,876</u>
Total funds available	<u>810,547</u>	<u>726,274</u>	<u>693,069</u>	<u>747,562</u>	<u>847,573</u>
Expenditures:					
Accounting / audit	15,672	18,000	11,655	18,000	18,000
Legal	46,075	40,000	27,342	40,000	40,000
Legal - water	6,446	-	-	-	-
District management	40,468	48,000	25,321	40,000	40,000
Insurance	10,206	11,250	9,415	9,415	10,000
Dues and memberships	764	800	774	774	800
General engineering	3,075	10,000	-	-	5,000
Election expense	5,013	20,000	626	626	-
Utilities	963	1,500	472	1,000	1,000
Treasurer fees	7,509	7,500	7,490	7,500	10,543
Miscellaneous	5,916	5,000	2,443	5,000	5,000
Traffic/Speed Enforcement	236	5,000	-	3,000	3,000
Snow removal	33,899	41,000	24,481	41,000	40,000
Street/shoulder maintenance	141,965	100,000	94,305	155,000	120,000
Contract Maintenance Supervisor	6,140	27,500	6,588	27,500	20,000
Landscape & park maintenance	80,900	65,000	48,623	70,000	70,000
Park / open space improvements	29,762	-	-	-	-
Wildfire mitigation	7,296	10,000	-	-	35,000
Irrigation Water	10,296	20,000	9,710	20,000	20,000
Equestrian trail maintenance	23,060	20,000	700	8,000	20,000
Pedestrian path maintenance	32,154	20,000	40,931	71,000	40,000
Road Chip Seal and Striping	141,443	150,000	140,518	156,000	150,000
Storm drain & drainage channel maint	-	5,000	-	5,000	30,000
Emergency Reserve	-	18,004	-	18,550	24,476
Weed/Vegetation control	23,075	25,500	16,000	25,500	25,500
Contingency	-	7,220	-	-	3,754
Transfer to Capital Project Fund	30,000	50,000	-	-	115,000
Total expenditures	<u>702,333</u>	<u>726,274</u>	<u>467,394</u>	<u>722,865</u>	<u>847,573</u>
Ending balance	<u>\$ 108,214</u>	<u>\$ -</u>	<u>\$ 225,675</u>	<u>\$ 24,697</u>	<u>\$ -</u>
Assessed Valuation		<u>\$ 21,479,130</u>			<u>\$ 30,194,870</u>
Mill Levy		<u>23.278</u>			<u>23.278</u>

Consolidated BMR Metro District
Adopted Budget
Capital Fund
For the Year ended December 31, 2024

	Actual 2022	Adopted Budget 2023	Actual 8/31/2023	Estimate 2023	Adopted Budget 2024
Beginning balance	\$ 415,200	\$ 448,200	\$ 452,530	\$ 452,530	\$ 335,530
Revenues:					
Transfer from General Fund	30,000	50,000	-	-	115,000
Interest	7,331	3,916	15,388	23,000	13,000
Total revenues	37,331	53,916	15,388	23,000	128,000
Total funds available	452,531	502,116	467,918	475,530	463,530
Expenditures:					
Major Repairs & Maintenance	-	263,250	67,135	140,000	400,000
Capital improvements	-	11,500	-	-	-
Total expenditures	-	274,750	67,135	140,000	400,000
Ending balance	\$ 452,531	\$ 227,366	\$ 400,783	\$ 335,530	\$ 63,530

**Consolidated BMR Metro District
Adopted Budget
Debt Fund
For the Year ended December 31, 2024**

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>8/31/2023</u>	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning balance	\$ 342,819	\$ 381,297	\$ 394,213	\$ 394,213	\$ 452,206
Revenues:					
Property taxes	768,319	751,770	749,862	751,770	673,738
Interest income	11,733	6,000	24,156	36,000	34,991
Total revenues	780,052	757,770	774,018	787,770	708,729
Total funds available	1,122,871	1,139,067	1,168,231	1,181,983	1,160,935
Expenditures:					
Loan Interest 2020 Series	302,120	294,535	145,250	290,500	278,600
Loan Principal 2020 Series	415,000	425,000	-	425,000	450,000
Treasurer's Fees	11,540	11,277	11,262	11,277	10,106
Paying agent fees	-	3,000	-	3,000	3,000
Total expenditures	728,660	733,812	156,512	729,777	741,706
Ending balance	\$ 394,213	\$ 405,255	\$ 1,011,719	\$ 452,206	\$ 419,229
Required Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
Assessed Valuation		\$ 21,479,130			\$ 30,194,870
Mill Levy		35.000			22.313
Total Mill Levy		58.278			45.591

**Consolidated BMR Metro District
Adopted Budget
Water Services Fund
For the Year ended December 31, 2024**

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>8/31/2023</u>	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning Balance	\$ -	\$ 715,524	\$ 738,801	\$ 738,801	\$ 720,060
Revenues:					
Transfer from BMRMD	716,779	-	30	30	-
BMR Delinquent Water Collection	72,372	-	-	-	-
Tap Fee (Lot 7 Stevens Ranch)	35,000	35,000	-	-	-
Interest	4,732	100	22,516	33,000	5,000
Total revenues	828,883	35,100	22,546	33,030	5,000
Total Funds available	828,883	750,624	761,347	771,831	725,060
Expenditures:					
Wastewater disposal	30,793	80,000	38,446	41,771	-
Castle Rock Water sewer charge	-	-	-	-	-
Town of Castle Rock	-	600,000	-	-	650,000
Miscellaneous/Legal Fees	59,289	20,000	6,634	10,000	10,000
Total expenditures	90,082	700,000	45,080	51,771	660,000
Ending balance	\$ 738,801	\$ 50,624	\$ 716,267	\$ 720,060	\$ 65,060

**CONSOLIDATED BELL MOUNTAIN RANCH METROPOLITAN DISTRICT
2024
BUDGET MESSAGE**

Attached please find a copy of the adopted 2024 budget for the Consolidated Bell Mountain Ranch Metropolitan District.

The Consolidated Bell Mountain Ranch Metropolitan District has adopted budgets for four funds, a General Fund to provide for general operating and maintenance expenditures; a Debt Service Fund to provide for payments on the outstanding general obligation bond debt; a Capital Projects Fund to provide for the estimated infrastructure costs that are to be built for the benefit of the district and a Water Fund to provide for administrative expenditures and the expenses related to providing water services.

The district's accountants have utilized the modified accrual basis of accounting, and the budget has been adopted after proper postings, publications and public hearing.

The primary sources of revenue for the district will be property and specific ownership taxes. In 2024, the district intends to impose a mill levy on all property within the district totaling 45.591 mills, of which 23.278 mills will be dedicated to the General Fund and the balance of 22.313 mills will be allocated to the Debt Service Fund.

Consolidated BMR Metro District
Adopted Budget
General Fund
For the Year ended December 31, 2024

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>8/31/2023</u>	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning balance	\$ 178,773	\$ 120,142	\$ 108,216	\$ 108,216	\$ 24,697
Revenues:					
Property taxes	499,912	499,991	498,722	499,991	702,876
Specific ownership taxes	112,150	100,141	78,903	118,355	113,000
Interest	661	1,000	621	1,000	1,000
Reimbursements & other	14,018	1,000	3,678	16,000	2,000
Conservation Trust Fund	5,033	4,000	2,929	4,000	4,000
Total revenues	631,774	606,132	584,853	639,346	822,876
Total funds available	810,547	726,274	693,069	747,562	847,573
Expenditures:					
Accounting / audit	15,672	18,000	11,655	18,000	18,000
Legal	46,075	40,000	27,342	40,000	40,000
Legal - water	6,446	-	-	-	-
District management	40,468	48,000	25,321	40,000	40,000
Insurance	10,206	11,250	9,415	9,415	10,000
Dues and memberships	764	800	774	774	800
General engineering	3,075	10,000	-	-	5,000
Election expense	5,013	20,000	626	626	-
Utilities	963	1,500	472	1,000	1,000
Treasurer fees	7,509	7,500	7,490	7,500	10,543
Miscellaneous	5,916	5,000	2,443	5,000	5,000
Traffic/Speed Enforcement	236	5,000	-	3,000	3,000
Snow removal	33,899	41,000	24,481	41,000	40,000
Street/shoulder maintenance	141,965	100,000	94,305	155,000	120,000
Contract Maintenance Supervisor	6,140	27,500	6,588	27,500	20,000
Landscape & park maintenance	80,900	65,000	48,623	70,000	70,000
Park / open space improvements	29,762	-	-	-	-
Wildfire mitigation	7,296	10,000	-	-	35,000
Irrigation Water	10,296	20,000	9,710	20,000	20,000
Equestrian trail maintenance	23,060	20,000	700	8,000	20,000
Pedestrian path maintenance	32,154	20,000	40,931	71,000	40,000
Road Chip Seal and Striping	141,443	150,000	140,518	156,000	150,000
Storm drain & drainage channel maint	-	5,000	-	5,000	30,000
Emergency Reserve	-	18,004	-	18,550	24,476
Weed/Vegetation control	23,075	25,500	16,000	25,500	25,500
Contingency	-	7,220	-	-	3,754
Transfer to Capital Project Fund	30,000	50,000	-	-	115,000
Total expenditures	702,333	726,274	467,394	722,865	847,573
Ending balance	\$ 108,214	\$ -	\$ 225,675	\$ 24,697	\$ -
Assessed Valuation		\$ 21,479,130			\$ 30,194,870
Mill Levy		23.278			23.278

Consolidated BMR Metro District
Adopted Budget
Capital Fund
For the Year ended December 31, 2024

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>8/31/2023</u>	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning balance	\$ 415,200	\$ 448,200	\$ 452,530	\$ 452,530	\$ 335,530
Revenues:					
Transfer from General Fund	30,000	50,000	-	-	115,000
Interest	7,331	3,916	15,388	23,000	13,000
Total revenues	37,331	53,916	15,388	23,000	128,000
Total funds available	452,531	502,116	467,918	475,530	463,530
Expenditures:					
Major Repairs & Maintenance	-	263,250	67,135	140,000	400,000
Capital improvements	-	11,500	-	-	-
Total expenditures	-	274,750	67,135	140,000	400,000
Ending balance	\$ 452,531	\$ 227,366	\$ 400,783	\$ 335,530	\$ 63,530

**Consolidated BMR Metro District
Adopted Budget
Debt Fund
For the Year ended December 31, 2024**

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>8/31/2023</u>	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning balance	\$ 342,819	\$ 381,297	\$ 394,213	\$ 394,213	\$ 452,206
Revenues:					
Property taxes	768,319	751,770	749,862	751,770	673,738
Interest income	11,733	6,000	24,156	36,000	34,991
Total revenues	780,052	757,770	774,018	787,770	708,729
Total funds available	1,122,871	1,139,067	1,168,231	1,181,983	1,160,935
Expenditures:					
Loan Interest 2020 Series	302,120	294,535	145,250	290,500	278,600
Loan Principal 2020 Series	415,000	425,000	-	425,000	450,000
Treasurer's Fees	11,540	11,277	11,262	11,277	10,106
Paying agent fees	-	3,000	-	3,000	3,000
Total expenditures	728,660	733,812	156,512	729,777	741,706
Ending balance	\$ 394,213	\$ 405,255	\$ 1,011,719	\$ 452,206	\$ 419,229
Required Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
Assessed Valuation		\$ 21,479,130			\$ 30,194,870
Mill Levy		35.000			22.313
Total Mill Levy		58.278			45.591

**Consolidated BMR Metro District
Adopted Budget
Water Services Fund
For the Year ended December 31, 2024**

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>8/31/2023</u>	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning Balance	\$ -	\$ 715,524	\$ 738,801	\$ 738,801	\$ 720,060
Revenues:					
Transfer from BMRMD	716,779	-	30	30	-
BMR Delinquent Water Collection	72,372	-	-	-	-
Tap Fee (Lot 7 Stevens Ranch)	35,000	35,000	-	-	-
Interest	4,732	100	22,516	33,000	5,000
Total revenues	828,883	35,100	22,546	33,030	5,000
Total Funds available	828,883	750,624	761,347	771,831	725,060
Expenditures:					
Wastewater disposal	30,793	80,000	38,446	41,771	-
Castle Rock Water sewer charge	-	-	-	-	-
Town of Castle Rock	-	600,000	-	-	650,000
Miscellaneous/Legal Fees	59,289	20,000	6,634	10,000	10,000
Total expenditures	90,082	700,000	45,080	51,771	660,000
Ending balance	\$ 738,801	\$ 50,624	\$ 716,267	\$ 720,060	\$ 65,060

January 22, 2024

Russ Grant
Board of Directors
Consolidated Bell Mountain Ranch Metropolitan District
c/o Simmons & Wheeler PC
304 Inverness Way South, Suite 490
Englewood, CO 80112

Dear Russ:

We are pleased to serve as the independent auditors for Consolidated Bell Mountain Ranch Metropolitan District ("Client") for the year ended December 31, 2023. This letter, together with the attached Professional Services Terms and Conditions – Attest Engagements, confirms the terms of our engagement, and are collectively referred to herein as the "Letter" or the "Engagement Letter".

Fees

Our fees for this engagement will be billed as work progresses, and progress billings may be submitted. Based upon our discussions with representatives of Client, the fee for this engagement will be \$6,500. Expenses for items such as travel, telephone, postage, clerical time, printing, and reproduction of financial statements are included in the fee. Our fee has been determined based on our understanding obtained through discussions with you regarding your preparation for the engagement and your current business operations. To the extent we encounter circumstances outside of our expectations that warrant additional procedures and time, we will communicate that fact and advise you of options and the additional fees necessary to complete the engagement. We expect payment of our billings within 30 days after submission.

Our fees for the services described below are based upon the value of the services performed and the time required by the individuals assigned to the engagement. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Client personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement.

If any of the aforementioned criteria are not met, then the fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred.

Audit Scope and Objectives

We will audit Client's financial statements, as of and for the year ended December 31, 2023, and the disclosures (collectively, the "financial statements"), and if applicable, supplementary information.

Consolidated Bell Mountain Ranch Metropolitan District

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January 22, 2024

The objectives of our audit are to obtain reasonable assurance about whether Client's financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether Client's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America ("GAAS") will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they could influence the judgment of a reasonable user made based on the financial statements.

The supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole.

The other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

An audit includes an evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as an evaluation of the overall presentation of the financial statements, including the disclosures, to assess whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. To express an opinion, we are required to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to Client or to acts by management or employees acting on behalf of Client.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or government regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Consolidated Bell Mountain Ranch Metropolitan District

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January 22, 2024

In the conduct of our audit, we will obtain an understanding of Client and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control.

Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards.

In performing our audit, we will consider and conclude whether, based on the audit evidence obtained, there are conditions or events, considered in the aggregate, which raise substantial doubt about Client's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of cash, receivables, loan balances, and certain assets and liabilities by correspondence with selected customers, funding sources, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement, and they may submit an invoice for responding to this inquiry.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that management acknowledges and understands its responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with GAAP. Management is also responsible for making available to us drafts of financial statements, all financial records, and related information, and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). Management is also responsible for providing us with (1) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within Client from whom we determine it necessary to obtain audit evidence.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting Client involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements.

Consolidated Bell Mountain Ranch Metropolitan District

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January 22, 2024

Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting Client received in communications from employees, former employees, regulators, or others. In addition, management is responsible for identifying and ensuring that Client complies with applicable laws and regulations.

Management is responsible for the preparation of the supplementary information in conformity with GAAP. Management agrees to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

We cannot perform management functions or make management decisions on behalf of Client. However, we may provide advice and recommendations to assist management in performing its functions and fulfilling its responsibilities. We may advise management about appropriate accounting principles and their application, but the responsibility for the financial statements remains with management.

At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters. Because of the importance of management's representations to an effective audit, Client agrees to release and indemnify Wipfli LLP ("Wipfli"), its partners, employees, agents, and assigns from any claim, liability, cost, or expense relating to our services under this Engagement Letter attributable in any respect to any knowing misrepresentation by management. The preceding sentence shall not apply and shall be of no effect in the event its application, in the judgment of any government body or regulatory agency, would impair our independence as your auditor.

Reporting

We will issue a written report upon completion of our audit of Client's financial statements. Our report will be addressed to the Board of Directors. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

If Client intends to reproduce or publish these financial statements or any portion thereof, whether in paper or electronic form, subsequent to anticipated year-end filings, and make reference to our firm name in connection therewith, management agrees to provide us with proofs in sufficient time for our review and written approval before printing. If in our professional judgment the circumstances require, we may withhold our approval. Client agrees to compensate Wipfli for the time associated with such review.

Client acknowledges and agrees that any advice, recommendations, information, or work product provided to Client by Wipfli in connection with this engagement is for the sole use of Client and may not be relied upon by any third party. Wipfli has no liability or responsibility to any third parties as a result of this engagement.

Consolidated Bell Mountain Ranch Metropolitan District

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January 22, 2024

Management Assistance

Assistance to be supplied by Client personnel, including the preparation of schedules and analysis of accounts, has been discussed with appropriate personnel. Timely completion of this work will facilitate the completion of our engagement.

Engagement Partner

Greg Livin will be your audit engagement partner.

Other Services

We may prepare (or assist in preparing) Client financial statements in conformity with GAAP based on information provided by management, but the responsibility for the financial statements remains with management.

Management agrees to assume all management responsibilities for these services; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Conclusion and Approval to Proceed

If the terms of this Engagement Letter are acceptable to you and the services outlined are in accordance with your requirements, please return a signed copy of this Letter to us.

We look forward to our continued association with you and management and appreciate the opportunity to serve you. Please do not hesitate to call us if you have any questions about the work we are to perform or any other aspect of the services we can provide.

Wipfli LLP

Wipfli LLP

ACCEPTED: CONSOLIDATED BELL MOUNTAIN RANCH METROPOLITAN DISTRICT

By: *Russell Grant*
Russell Grant (Feb 1, 2024 21:58 MST)

Russell Grant President, Consolidated BMR Metro District

(Print Name and Title)

Date: 02/01/2024

GL/tp
Enc.

Professional Services Terms and Conditions – Attest Engagements

1. Entire Agreement

These Terms and Conditions, together with the engagement letter (“Engagement Letter”) to which these Terms and Conditions are attached, and the Engagement Letter’s other appendixes and applicable Change Orders, if any, constitute the entire agreement between the parties on the subject matter thereof and supersede and merge all prior proposals (including prior proposals of Wipfli regarding the engagement), understandings, and agreements (oral or written) between the parties relating to the subject matter, including, without limitation, the terms of any request for proposal issued to Client or the standard printed terms on any purchase order issued by Client and any non-disclosure or confidentiality agreement between Wipfli and Client dated prior to the date of the Engagement Letter. No modification, amendment, supplement to, or waiver of these Terms and Conditions or Engagement Letter shall be binding upon the parties unless made in writing and duly signed by both parties. To the greatest extent reasonably possible, the provisions of the Engagement Letter, its Appendixes (including these Terms and Conditions), Implementation Plan, Change Orders, and any other exhibit, attachment, schedule, or other document referenced in or by the Engagement Letter shall be read together and harmonized to give effect to the parties’ intent. In the event of a direct conflict among the express provisions of the foregoing, the Engagement Letter shall be given controlling effect. No provision of these terms and conditions will apply to any attest services that may be performed by Wipfli for Client if such provision would impair Wipfli’s independence from Client requiring pursuant to applicable professional standards, such services being governed exclusively by the Engagement Letters issued with respect thereto. Wipfli may be referred to herein as “we” or “us” or in a similar manner, and Client may be referred to as “you” or in a similar manner, and such references shall be read in context.

2. Commencement and Term

The Engagement Letter shall become effective when signed by duly authorized representatives of both parties and shall remain in full force and effect until the services to be delivered under the Engagement Letter are complete (as reasonably determined by Wipfli) unless earlier terminated by either party as provided in the Engagement Letter or these Terms and Conditions. Each person executing an Engagement Letter on behalf of a party represents and warrants to the other that he or she has all power and authority to bind the party on whose behalf he or she is executing same.

3. Termination of Agreement

The Engagement Letter may be terminated as follows: (i) by either party immediately upon written notice to the other if either party hereto becomes the subject of voluntary or involuntary bankruptcy or other insolvency proceeding, (ii) by Wipfli or Client if either party defaults in the performance of any of its covenants and agreements set forth in the Engagement Letter or Change Order (except when such default is due to a cause beyond the control of the party) and such default is not cured within thirty (30) days after notice from either party specifying the nature of such default, and (iii) by Wipfli or Client with or without cause upon providing thirty (30) days written notice. Termination of the Engagement Letter shall have no effect on either party’s obligation to pay any amount due and owing with respect to such periods prior to the effective date of such termination.

Wipfli has the right to withdraw from this engagement with immediate effect if Client does not provide us with the information we request in a timely manner, refuses to cooperate with our reasonable requests, or misrepresents any facts. Our withdrawal will release us from any obligation to complete the engagement and will constitute completion of our engagement. Client agrees to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

4. Fee Estimates and Change Orders

Wipfli’s Engagement Letter may set forth certain ranges for Wipfli’s fees charged on any project or services. Wipfli provides fee estimates as an accommodation to Client. These estimates depend on certain assumptions, including: (a) anticipated cooperation from Client personnel, (b) timely responses to our inquiries, (c) timely completion and delivery of Client assistance requests, (d) timely communication of all significant accounting and financial reporting matters, (e) the assumption that unexpected circumstances will not be encountered during the engagement, and (f) where applicable, the assumption that Client’s hardware platform/computer system will, at the commencement of the services, be fully operable as intended and designed, functioning as necessary and available to Wipfli without material restriction for the duration of the services. Unless otherwise indicated in the Engagement Letter, fee estimates shall not be construed as or deemed to be a minimum or maximum fee quotation. Although Wipfli reasonably believes suggested fee ranges are accurate, Wipfli’s actual fees may vary from its fee estimates.

Services that fall outside the agreed-upon scope of Wipfli’s engagement shall be covered by a Change Order, or, if the nature and amount of such services are not material to the overall engagement, shall be delineated and included on Wipfli’s invoice for such services. A “Change Order” means a mutually agreed-upon change in the schedule or the time for Wipfli’s performance of the services on a project, the scope of specifications of a project, and/or the fees chargeable by Wipfli to Client, which is reduced to writing using an agreed-upon form that is executed by an authorized representative of each for Wipfli and Client.

Unless otherwise agreed in the Engagement Letter, miscellaneous expenses incurred by Wipfli in the course of performing the service will be charged in addition to Wipfli’s professional fees. Miscellaneous expenses may include, but are not limited to: travel, lodging, transportation, and meals for projects requiring travel; clerical processing; telecommunications charges; technology fees; delivery expenses; and all sales, use, ad valorem, excise, or other taxes or other governmental charges.

5. Payment of Fees

Unless otherwise agreed, all invoices are due and payable within thirty (30) days of the invoice date. All business or commercial accounts will be charged interest at the lesser of one percent (1%) per month or the maximum rate permitted by law, except where prohibited by law, on Client’s balance due to Wipfli that is outstanding over thirty (30) days. At our discretion, services may be suspended if Client’s account becomes overdue and will not be resumed until Client’s account is paid in full. Client acknowledges and agrees that we are not required to continue services in the event of a failure to pay on a timely basis for services rendered as required. Client further acknowledges and agrees that in the event Wipfli stops services or withdraws from this engagement as a result of Client’s failure to pay on a timely basis for services rendered as required by this Engagement Letter, Wipfli shall not be liable to Client for any damages that occur whether direct or indirect, foreseen or unforeseen, and whether or not the parties have been advised of the possibility of such damages.

In the event Wipfli is required to respond to a subpoena, court order, government regulatory inquiries, or other legal process related to Client or its management (other than a matter in which Wipfli is named as a party) for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this or any prior engagements, Client agrees to compensate us for all time we expend in connection with such response, at our regular rates, and to reimburse us for all related out-of-pocket costs, including attorney’s fees, that we incur. Any services under this paragraph will be deemed a separate engagement and, to the extent permitted by law and applicable professional standards, we will promptly notify you of the matter.

Professional Services Terms and Conditions – Attest Engagements

6. Privacy and Engagement Staffing

Wipfli expressly reserves the right to replace, in its sole discretion, any of our professional project team members, as necessary, to provide quality and timely service to Client. From time to time, and depending upon circumstances, Wipfli may use third-party service providers, such as independent contractors, specialists, or vendors to assist us in providing professional services, including tax services. These parties and their personnel may be located within or outside the United States. We may also use personnel from affiliates of Wipfli and other Wipfli-related entities (including our wholly-owned subsidiary based in India and contractors in the Philippines) or any of their respective affiliates. In addition, Wipfli may utilize third-party service providers, including cloud-based service providers, who may collect, use, transfer, transmit, store, or otherwise process Client information in connection with the delivery of certain services. Wipfli is committed to maintaining the confidentiality and security of Client's information, and accordingly, Wipfli maintains policies, procedures and safeguards to protect the confidentiality of Client information. In addition, our agreements with all service providers appropriately maintain and protect the confidentiality of Client information, provided we may use electronic media to transmit Client information and such use in itself will not constitute a breach of any confidentiality obligation. We remain responsible to Client for the supervision of all service providers, entities, and personnel who assist us in rendering professional services hereunder and for protecting the confidentiality of Client information. Client hereby consents and authorizes us to disclose Client information to the foregoing entities and parties for the purpose of providing professional services, including tax services, to Client.

Wipfli is committed to protecting personal information that can be linked to specific individuals, including health information ("Personal Data") and will maintain such Personal Data in confidence in accordance with professional standards and governing laws. Client will not provide any Personal Data to Wipfli unless necessary to perform professional services described in the Engagement Letter. When providing any Personal Data to us, Client will comply with all applicable laws (both foreign and domestic) and will anonymize, mask, obfuscate, and/or de-identify, if reasonably possible, all Personal Data that is not necessary to perform the professional services described in the Engagement Letter. Any Personal Data provided to us by Client will be kept confidential and not disclosed to any third party not described above (parties providing us assistance in rendering professional services) unless expressly permitted by Client or required by law, regulation, legal process, or to comply with professional standards applicable to Wipfli. Client is responsible for obtaining, pursuant to law or regulation, consents from parties that provided Client with their personal information, which will be obtained, used, and disclosed by Wipfli for its required purposes, and Wipfli may rely on the representation that Client has obtained such consents.

Please see Wipfli's Privacy Statement located at www.wipfli.com/privacy-statement for further information.

Applicable rules in some states require that we advise you that some persons who own an interest in Wipfli may not be licensed as Certified Public Accountants and may provide services related to this engagement.

7. Intellectual Property Rights

Client acknowledges that Wipfli owns all intellectual property rights, title, and interest to all materials and information produced or developed by Wipfli throughout the duration of this engagement, excluding any pre-existing ownership right of Client and without implying any ownership interest in any Client materials, data or other information, all of which shall remain the property of Client. Upon completion of the services contemplated by the Engagement Letter, Wipfli grants to Client a perpetual paid-up license to use or modify, for internal purposes only, any deliverable produced by Wipfli and actually delivered to Client, provided that any use or modification of such deliverable, other

than for the stated purposes in the Engagement Letter, is not authorized. In addition, Client shall not alter or remove any of Wipfli's trademarks, copyright registration marks, patent, or other intellectual property notices applicable to any of Wipfli's goods, marketing material, or advertising media, and shall not in any way alter any of Wipfli's products. Client shall promptly notify Wipfli in writing of any infringement of Wipfli's intellectual property by third parties of which Client becomes aware. Neither party shall acquire any right, title, or interest in or to the other party's code, data, business processes, or other information to which such party may have access during the term of the engagement hereunder. All such code, data, business process and other information shall be solely and exclusively the property of the originating party.

8. Mutual Confidentiality

During the course of performing services, the parties may have access to information that is confidential to one another, including, without limitation, source code, documentation, specifications, databases, system design, file layouts, tool combinations, development methods, or business or financial affairs, which may incorporate business methods, marketing strategies, pricing, competitor information, product development strategies and methods, customer lists, customer information, and financial results (collectively "Confidential Information"). Confidential Information may include information received from third parties, both written and oral, that each party is obligated to treat as confidential.

Confidential Information shall not include any information that (i) is already known by the recipient party or its affiliates, free of any obligation to keep it confidential, (ii) is or becomes publicly known through no wrongful act of the receiving party or its affiliates, (iii) is received by the receiving party from a third party without any restriction on confidentiality, (iv) is independently developed by the receiving party or its affiliates, (v) is disclosed to third parties by the disclosing party without any obligation of confidentiality, or (vi) is approved for release by prior written authorization of the disclosing party.

Without the advance written consent of the other party, except as required by law, regulation, or to comply with professional standards applicable to a party or for the performance of the services, neither party shall disclose to a third party Confidential Information of the other party. Each party agrees to maintain at least the same procedures regarding Confidential Information that it maintains with respect to its own Confidential Information. Each party may use the Confidential Information received from the other party only in connection with fulfilling its obligations under this Agreement. The parties further agree that expiration or termination of this Agreement, for any reason, shall not relieve either party, nor minimize their obligations with respect to Confidential Information, as set forth herein.

9. Independent Contractor

The relationship between Wipfli and Client is solely and exclusively that of independently contracting parties.

10. Non-Exclusivity

No right of exclusivity is granted, guaranteed, or implied by Wipfli and Client entering into any engagement letter. Client acknowledges that Wipfli regularly performs the same or similar services as are being provided hereunder to third parties.

11. Dispute Resolution

If any dispute arises among the parties regarding the subject matter hereof and such dispute cannot be resolved through informal negotiations and discussion, the parties agree to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to arbitration or litigation. Costs of any mediation proceeding shall be shared equally by all parties. Except for an action by us to collect payment of our invoices, Wipfli and Client

Wipfli LLP

Professional Services Terms and Conditions – Attest Engagements

agree that no claim arising out of services rendered pursuant to the Engagement Letter or any Change Order shall be filed: (i) in the case of any report or deliverable issued by Wipfli under the Engagement Letter, no later than two years from the date of such report or deliverable (or if no report or deliverable is issued, two years from the date of the Engagement Letter), or (ii) in the case of any tax form or similar governmental filing, no later than two years after the initial due date of such tax form or filing.

of Wipfli; provided that in no event shall such assignment relieve Wipfli of its obligations under this Engagement Letter.

18. Force Majeure

Either party may suspend (or if such suspension continues for more than thirty (30) days, terminate) its obligations (except the obligation to pay for services previously rendered) under the Engagement Letter or any amendment or Change Order, if such obligations are delayed, prevented, or rendered impractical or impossible due to circumstances beyond its reasonable control, including, without limitation, fires, floods, storms, washouts, tsunamis, earthquakes, wars (declared or undeclared), civil disturbances, accidents, terrorist acts (including biochemical attacks), health pandemics, acts of any governmental body, damage to its plants and equipment, computer network problems caused by any Internet Service Provider or telecommunications company servicing Wipfli and/or Client, or acts of God or events beyond a party's control (collectively referred to herein as "Force Majeure"). Each party will use reasonable efforts to promptly minimize the duration and consequences of any failure of or delay in performance resulting from a Force Majeure event. In such event, the affected party will not be liable to the other for delay or failure to perform its obligations under this Engagement Letter.

12. Governing Law

Any and all claims relating to agreements between Wipfli and Client for any service shall be governed by and construed in accordance with the internal laws of the state in which the Wipfli office which issues the Engagement Letter related to the services is located.

13. Severability

In the event that any term or provision of the Engagement Letter or these Terms and Conditions shall be held to be invalid, void, or unenforceable, then the remainder shall not be affected and each remaining term or condition shall be valid and enforceable to the fullest extent permitted by law.

14. Notices

All notices required to be given to either party under the Engagement Letter shall be in writing and sent by traceable carrier to each party's address indicated on the Engagement Letter, or such other address as a party may indicate by at least ten (10) business days' prior written notice to the other party. Notices shall be effective upon receipt. A copy of such notice should be provided to Wipfli's General Counsel at wipfli-legal@wipfli.com.

15. Electronic Signature

Each party hereto agrees that any electronic signature of a party to the Engagement Letter or any electronic signature to a document contemplated hereby is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to: (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities, or (iv) a digital signature. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

16. Record Retention

We will retain records related to this engagement pursuant to our record retention policy. At the end of the relevant time period, we will destroy our records related to this engagement. However, Client's original records will be returned to Client upon the completion of the engagement. When records are returned, it is Client's responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

17. Assignment

The Engagement Letter to which these Terms and Conditions are attached shall be binding on the parties hereto and their respective successors and assigns. Neither party may assign this Engagement Letter without prior written consent of the other, except that Wipfli may assign its rights and obligations under this Engagement Letter without the approval of Client to an entity that acquires all or substantially all of the assets of Wipfli or to any subsidiary or affiliate or successor in a merger, acquisition, or change of control