

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CONSOLIDATED BELL MOUNTAIN RANCH METROPOLITAN
DISTRICT (THE "DISTRICT")
HELD
OCTOBER 5, 2021

A regular meeting of the Board of Directors of the Consolidated Bell Mountain Ranch Metropolitan District (referred to hereafter as the "Board") was convened on Tuesday, October 5, 2021, at 6:30 p.m. at Lowell Ranch, 2330 S. I-25, Castle Rock CO. All attendees had been vaccinated for COVID-19 and were not required to wear individual protective masks.

ATTENDANCE

Directors In Attendance Were:

Russell Grant, President
Calvin Bills, Vice President
Frank Strand; Secretary/Treasurer
Edward Ammon; Assistant Secretary/Treasurer

Also, In Attendance Were:

Josh Miller and Nic Carlson; CliftonLarsonAllen LLP
Tim Flynn; Collins, Cockrel & Cole PC
Mike Mysliwicz; 4275 Bell Mountain Drive
Ann Molner, 4219 Serenade Road
Larry Lomison, 501 Chandelle Road
Doug Deleff, 4608 Spring Road

I. CALL TO ORDER

Director Grant called the meeting to order at 7:15 p.m.

II. DECLARATION OF QUORUM/ DIRECTOR QUALIFICATIONS/ POTENTIAL CONFLICTS OF INTEREST

After each Director had summarily stated for the record the fact and nature of his respective private interest and stated that the determination to participate in voting or take any other action on any contract or other matter in which he may have a private interest would be made in compliance with Section 24-18-109(3)(a) and (b), C.R.S., on an *ad hoc* basis, the Board turned its attention to the remaining agenda items.

Potential Conflicts of Interest: All of the Directors had previously filed Disclosure of potential conflict of interest statements with the Board and the Secretary of State in accordance with statutory requirements. Such conflicts arise because each Director is also a Director on BMR Metropolitan District ("BMRMD"). The BMRMD has entered into and may from time to time enter into additional agreements with Consolidated Bell Mountain Ranch Metropolitan District. All disclosures of potential conflict of interest statements, whether filed for this meeting or previously

RECORD OF PROCEEDINGS

filed, are deemed continuing in nature and are incorporated into the record of this meeting.

Confirm Quorum and Location of Meeting: All Directors stated that the participation of at least three of them in the meeting was necessary to obtain a quorum of the Board or otherwise enable the Board to act. The Board confirmed a quorum and the location of the meeting.

III. APPROVAL OF AGENDA

The Board determined to add an Item 6J to the Agenda regarding Scrub Oak Removal. Following discussion, upon a motion duly made by Director Strand, seconded by Director Bills and, upon vote, unanimously carried, the Board approved the Agenda as amended.

IV. COMMUNITY COMMENTS

A. Public Comment: There were no public comments.

V. MANAGER'S REPORT/ ADMINISTRATIVE MATTERS

A. Review and Consider approval of the Minutes of September 7, 2021 Regular Meeting: Director Grant reviewed the Minutes with the Board. Following review, upon a motion duly made by Director Strand, seconded by Director Bills and, upon vote, unanimously carried, the Board approved the September 7, 2021 Regular Meeting Minutes.

B. Review and Consider Approval of the July Cash Requirements Report (CRR) Totaling \$63,346.53 Including BMR Water Usage Totaling \$3,820: Director Grant reviewed the CRR with the Board. Following review, upon a motion duly made by Director Strand, seconded by Director Bills and, upon vote, unanimously carried, the Board approved the July CRR totaling \$63,346.53 including the BMR water usage totaling \$3,820 as presented with a release of 22 payments. It was noted that there were several invoices not included in the CRR that should be processed with the October check release. CLA and Simmons & Wheeler will amend the CRR to include the payments that should be included in the October check release and will report back to the Board.

C. Review and Accept August 31, 2021 Financial Statements: Director Grant reviewed the August 31, 2021 Financial Statements with the Board. Following review, upon a motion duly made by Director Vrabel, seconded by Director Bills and, upon vote, unanimously carried, the Board accepted the August 31, 2021 Financial Statements.

D. Review and Accept Cash Position Schedule as of October, 2021: Director Grant reviewed the October Cash Position Schedule with the Board. Total funds available for operations and capital as of 5 October 2021 is \$693,292.24. Following review, upon a motion duly made by Director

RECORD OF PROCEEDINGS

Strand, seconded by Director Bills and, upon vote, unanimously carried, the Board accepted the October 2021 Cash Position Schedule as presented.

E. Approval of Transfer of Accounts Payable (AP) Processing to Simmons & Wheeler P.C.: Director Grant reviewed the engagement letter with the Board. Following review, upon a motion duly made by Director Strand, seconded by Director Bills and, upon vote, unanimously carried, the Board approved the transfer of accounts payable processing to Simmons & Wheeler P.C.

F. 2022 Budget Schedule

- **Discuss 2022 Budget – October 5, 2021 Board Meeting**
- **October 15th – Draft Budget Submitted to Board of Directors**
- **November 2, 2021 Board Meeting – Public Hearing to Approve 2022 Budget**

Director Grant reviewed with the Board and noted this would be discussed further at a Special Meeting of the CBMRMD scheduled for October 29, 2021.- The Board confirmed publication of the 2022 Budget Hearing for November 2, 2021.

VI. DIRECTOR ITEMS

A. Equestrian Center/Trail Update - Director Bills: Director Bills noted that he has put together a preliminary plan with the Equestrian Center for trail maintenance in 2022 and he is updating the draft 2022 budget plan.

B. APM Updates and Proposed future Contract Administration-Director Bills: Director Bills stated he is working with APM to update the contract exhibits and proposal for CLA to manage the CLA contract. Additional discussion will be held at the Special Meeting of the CBMRMD scheduled for 29 October 2021.

C. BMR Fire Mitigation Proposal – Directors Bills & Ammon: Director Ammon updated the Board. A formal plan for tree/ brush mitigation is still being developed. Additional information regarding Steven Ranch (Filing 2) and a portion of Filing 1-B is still needed for formatting the “C” zones. The mapping will continue and will inform fire mitigation proposal. The draft services agreement from the Forest Service has been received for planning purposes and will be reviewed at the November Board meeting.

D. BMR Entrance Log Replacement – Director Vrabel: Director Vrabel provided sketch renditions prepared by Root Architecture & Development for several potential design options to replace the existing deteriorated logs at the BMR main gate. Five different design options using tubular steel were presented to the Board for consideration. The

RECORD OF PROCEEDINGS

Board members will evaluate the design options and will discuss them at the next Board meeting. The preliminary estimated cost to replace the existing wooden logs is over \$100,000, which will be budgeted for accomplishment in 2022.

E. Community Park Plan Update (Tot Playground Equipment) –

Director Strand: Director Strand provided an update to the Board and noted there is no update on the estimated delivery date for the playground equipment. In all probability, this project will be delayed until next spring. He will provide an update at the November Board meeting.

F. IREA Projects Update – Director Strand: Director Strand provided an update noting IREA has merged with another company and is now known as “CORE”. The bulk of the electrical installation work has been completed, except for reclamation of disturbed earth areas.

G. Road Shoulder and Walking Path Repair and Upgrade – Director

Bills: Director Bills provided an update to the Board. He noted that additional erosion repairs still need to be accomplished and will be prioritized. The replacement of Stop signs is scheduled to start in late October, including the installation of new metal stations. The work will be done by APM.

H. Mastication of Gamble Oak at 3627 Serenade Road Update –

Director Bills: Director Bills stated that a letter was sent to the homeowner requesting a plan for repair of the “C” zone that was damaged by the homeowner’s contractor. A follow up letter will be sent to the homeowner at a 30-day mark. He will provide an update at the November Board meeting.

I. Stevens Ranch Infrastructure Turn-over to CBMRMD – Director

Ammon: Director Ammon stated that he met on-site with Andrew Larrick (the Developer), who was very cooperative regarding the needed clean-up of construction dirt on the roadways and in the drainage structures. Director Ammon also spoke with the Douglas County representative concerning the restoration of the Stevens Ranch property that will become Metro District property, as well as the parcel of land between Dusty Rose Circle and Riva Rose Circle that belongs to Douglas County. When requested by the Developer, the County will conduct an inspection to determine what needs to be corrected/ completed regarding the approved drainage plan for the parcel.

J. Removal of Scrub Oak – Director Strand: Director Strand reviewed the proposal from Knothead Tree and Lawn Care in the amount of \$895 for the removal of scrub oak at the southeast corner of Serenade Dr and Bell

RECORD OF PROCEEDINGS

Mountain Dr. The scrub oak is in the Metro District right-of-way. Following review, and upon a motion duly made by Director Ammon, seconded by Director Strand and, upon vote, unanimously carried, the Board approved the proposal in the amount of \$895 for the removal of scrub oak.

VII. ATTORNEY MATTERS

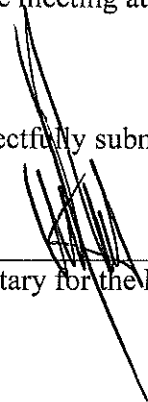
- A. **Executive Session, if needed, and called in accordance with 24-6-402 (4) (b) (c) or (g) CRS regarding matters that may be subject to negotiation, receiving legal advice or potential personal matters relating to water service from Castle Rock and internal Board governance matters:** Executive Session was not necessary, and accordingly the Board did not go into Executive Session during this meeting.

Legal counsel will distribute a draft of the proposed IGA for water service with the Town of Castle Rock to each member of the Board prior to the next Board meeting.

VIII. ADJOURNMENT

There being no further business to come before the Board at this time, Director Grant adjourned the meeting at 8:52 p.m.

Respectfully submitted,



Secretary for the Meeting