

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 4, 2022

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 4, 2022, at 6:30 p.m. at Lowell Ranch, 2330 S. I-25, East Frontage Road, Castle Rock, CO 80104.

ATTENDANCE

Directors In Attendance Were:

Russell Grant, President
Calvin Bills, Vice President
Frank Strand, Secretary/Treasurer
Steve Vrabel, Assistant Secretary/Treasurer
Ed Ammon, Assistant Secretary/Treasurer

Also, In Attendance Were:

Josh Miller & Nic Carlson; CliftonLarsonAllen LLP
Tim Flynn; Collins Cole Flynn Winn & Ulmer, PLLC
John McKillip, Jr.; APM
Mike Mysliwicz; 4275 Bell Mountain Drive

I. CALL TO ORDER

Director Grant called the meeting to order at 6:51 p.m.

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

Potential Conflicts of Interest: All Directors previously filed Potential Conflict of Interest Disclosure Statements with the Board and the Secretary of State. Such disclosures were filed because: (i) each Director is a Director of the BMR Metropolitan District ("BMRMD"); and (ii) the functions of each District overlap at times, and there are now and may be in the future intergovernmental agreements between the two Districts. All Potential Conflict of Interest Disclosures whether filed for this meeting or previously 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 (3) Board members 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

Director Vrabel request two items to be added to the agenda under Directors Matters: 7F – Entrance Logs and 7G – Potential HOA Gate Installation. Director Bills requested Item 7H be added to the Agenda. Upon a motion duly made by

RECORD OF PROCEEDINGS

Director Vrabel, seconded by Director Bills and, upon vote, unanimously carried, the Board approved the Agenda as amended to add Items 7F, 7G and 7H.

IV. COMMUNITY COMMENTS

Public Comment: None.

V. APM PROJECT STATUS REPORT

Mr. McKillip, Jr. reviewed the monthly report with the Board. Director Bills noted that there will be changes to the APM contract scope and pricing for 2023.

VI. MANAGER'S REPORT/ ADMINISTRATIVE MATTERS

A. Review and Consider Approval of the Minutes of September 6, 2022 Regular Meeting: Director Grant reviewed the September 6, 2022 Regular Meeting Minutes with the Board. Following review, upon a motion duly made by Director Vrabel seconded by Director Ammon and, upon vote, unanimously carried, the Board approved the September 6, 2022 Regular Meeting Minutes as presented.

B. Review and Consider Acceptance of September 2022 Bill.com claims report totaling \$45,378.71 including BMR Water Usage Totaling \$2,040.00: Director Grant reviewed the September 2022 Bill.com claims 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 September 2022 Bill.com claims report totaling \$45,378.71 including the BMR water usage totaling \$2,040.00 as presented.

C. Review and Accept August 31, 2022 Unaudited Financial Statements: Director Grant reviewed the August 31, 2022 Unaudited Financial Statements 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 August 31, 2022 Unaudited Financial Statements as presented.

D. Review and Accept Cash Position Schedule as of October 2022: Director Grant reviewed the October 2022 Cash Position Schedule 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 October 2022, Cash Position Schedule as presented.

VII. DIRECTOR ITEMS

A. Update on Comcast Cable Install – Director Strand: Director Strand reported that Comcast has not provided any additional information regarding installation of the new communications they will be installing to increase the speed and capacity of the existing Comcast system. The Comcast central office did mail information regarding the Xfinity service upgrade directly to BMR homeowners. In that correspondence they stated:

1. The goal of the upgrade work is to ultimately allow multigigabit upload and download capacity.

RECORD OF PROCEEDINGS

2. During construction, customers may experience Xfinity service interruptions of approximately 2 consecutive hours of downtime with potential periods of intermittent downtime throughout the day. This will affect all Xfinity services, including phone service.
3. Xfinity will provide information regarding the dates of potential service interruptions as that information becomes available.
4. Xfinity will send text alerts to customers regarding service interruptions.

B. Equestrian Trails Update – Director Bills: Director Bills informed the Board that the BMR Equestrian Center is under contract to sell. Depending upon who the next owner is, the agreement for maintaining the BMR horse trails may need to be changed.

C. Update on “C” Zone Fire Mitigation – Director Ammon: Director Ammon updated the Board, noting that Spencer Weston from the State Forest Service is preparing a monetary grant application for BMR fire mitigation. The grant application is due to the State Forest Service by 19 October 2022. The application will also be used for submission to Douglas County. The total cost of an approved mitigation project will be cost shared: 50% State Forest Service, 25% Douglas County, 25% CBMRMD.

D. Discussion on Mountain Bikes on the Trails – Director Ammon: No update provided.

E. Discussion of Preliminary Draft 2023 Budget: Director Grant reviewed the draft 2023 Budget with the Board. The Board requested CLA to schedule a Study Session to review and modify the 2023 budget, as needed, on November 11th at 1:00 P.M. at the Douglas County Library in Castle Rock. The results of the November 8th General Election ballot issue for a \$200,000 increase for the CBMRMD operations budget will be known at that time.

Regarding the required Budget Hearing for the 2023 budget, upon a motion duly made by Director Ammon, seconded by Director Bills and, upon vote, unanimously carried, the Board scheduled a Budget hearing to be held at the December 6, 2022 Board meeting.

F. BMR Entrance Logs: The Board discussed the previous Board decision to conduct a structural analysis of the logs at the BMR entrance. This task was delegated to Director Vrabel, who will contract the services of qualified arborist and/or structural engineer.

G. HOA Study for Potential Installation of an Unmanned Gate at the BMR Entrance - Director Vrabel: Director Vrabel reported that contact has been made with the Castle Rock fire Dept, Douglas County Sheriff's Office and Douglas County Planning Office to garner information regarding the potential installation

RECORD OF PROCEEDINGS

of an entry gate at the BMR entrance. Installation, operation and maintenance of such a gate would be the responsibility of the HOA. Mr. Flynn, CBMRMD attorney, will render an opinion regarding the legality of installing an entry gate as time permits after the dissolution of the BMR Metro District.

H. Drainage Ditch/ Hillside Erosion Repairs- Director Bills: Director Bills provided an update to the Board stating that a revised agreements detailing the scope of the needed repairs at several locations and the pricing for those repairs are being finalized before distribution to the affected homeowners. The revised agreements call for APM to accomplish all of the necessary work under contract with the CBMRMD and the affected homeowners will share costs with the CBMRMD.

VIII. ATTORNEY MATTERS

A. Ballot Issue 6A for 8 Nov General Election, Proposal to Increase BMR Taxes Up to \$200,000- Mr. Flynn: Mr. Flynn updated the Board noting that the "pro statement" for the CBMRMD Ballot Issue has been submitted to the Douglas County election official for the ballot issue. Ballot Issue 6A reads as follows:

Shall Consolidated Bell Mountain Ranch Metropolitan District taxes be increased up to \$200,000 annually with the increase to be used to cover a portion of the cost of the District's operation, maintenance, and other expenses, including establishing a reserve for capital improvements, through the imposition of a property tax to be levied at a rate sufficient to produce the amount specified above; and shall the District be permitted to collect, retain and spend such taxes as a voter-approved revenue change and exemption to the limitation contained in Section 29-1-301 of the Colorado revised statutes?

Yes No

B. Conveyance of Water System to Town of Castle Rock. Mr. Flynn updated the Board on the transaction involving the dissolution of BMR and the conveyance of its water system and CBMR's water rights to the Town of Castle Rock. He continues to work towards the scheduled October 21st closing.

Following a brief discussion, upon a motion duly made by Director Ammon, seconded by Director Vrabel and, upon vote, unanimously carried, the Board delegated authority to any available Board member to sign any document necessary to effectuate the closing of the transaction described by Mr. Flynn, including any document required by any financial institution or by Fidelity Title National Company as part of the closing whereby BMR will be dissolved, its water system transferred to CBMR and that water ultimately to the Town of Castle Rock.

RECORD OF PROCEEDINGS

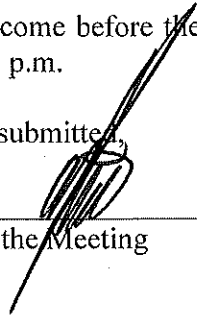
IX. OTHER BUSINESS

A. Confirm Quorum for November 1, 2022 Board Meeting Date: The Board confirmed that a quorum should be available for the November 1, 2022 Board meeting.

X. ADJOURNMENT

There being no further business to come before the Board at this time, Director Grant adjourned the meeting at 8:45 p.m.

Respectfully submitted,



Secretary for the Meeting