

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF

TWO BRIDGES METROPOLITAN DISTRICT

Held: Wednesday, October 26, 2022, at 3:30 p.m., at 8953 Red Primrose Street, Franktown, Colorado and *via* teleconference.

Attendance

A regular meeting of the Board of Directors of Two Bridges Metropolitan District was called and held as shown above and in accordance with the applicable laws of the State of Colorado. The following directors, having confirmed their qualification to serve on the Board, were in attendance:

Nicole Iannone
Korin Barr
Aaron Argabright
Karen McCracken (*via* teleconference)
Scott Edwards

Also present were: Ashley B. Frisbie, White Bear Ankele Tanaka & Waldron, District Manager; Diane Wheeler, Simmons & Wheeler, PC, District Accountant; and Kristine Jensen and Myrna Melendez, residents.

Also present (*via* teleconference) were: Thomas Oriel, Cheryl Johnson, Mike and Nicole Clark, Brian and Amy Eck, DeAnna Frost, Mike Wilkie, Chris Johnson and Gary Joyce, residents.

Call to Order/Declaration of Quorum/Director Qualifications

It was noted that a quorum of the Board was present, that the directors had confirmed their qualification to serve, and, therefore, the meeting for the District was called to order.

Conflict of Interest Disclosures

Ms. Frisbie advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Frisbie inquired into whether members of the Board had any disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No disclosures were noted.

Approval of Agenda

Ms. Frisbie presented the proposed agenda to the Board for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agenda, as amended.

Consent Agenda

Ms. Frisbie presented the Board with the consent agenda items. Upon a motion duly made and seconded, the Board unanimously took the following actions:

- a. Approved Minutes from June 29, 2022 Regular Meeting
- b. Approved Minutes from October 2, 2022 Work Session
- c. Approved Special District Disclosure Pursuant to § 32-1-809, C.R.S.
- d. Moved to Regular Agenda
- e. Ratified Approval of Lighting Posts by Mailboxes (\$299.96)
- f. Ratified Approval of Reseeding of Native Area Around Mailboxes (\$295.25)

Financial Matters

Consider Approval of Claims and Acceptance of Unaudited Financials

Ms. Wheeler presented the Board with the September 30, 2022 unaudited financial statements. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the unaudited financial statements.

Ms. Wheeler presented the Board with the claims payable, in the amount of \$42,270.50. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the claims payable.

Conduct 2022 Budget Amendment Hearing and Consider Adoption of Resolution to Amend 2022 Budget

It was noted that a 2022 Budget Amendment was not needed.

Conduct 2023 Budget Hearing and Consider Adoption of Resolution to Adopt 2023 Budget and Set Mill Levies

Ms. Wheeler reviewed the 2023 Budget with the Board. The Board discussed the mill levies presented and inquired about the adjustment calculation. Ms. Wheeler explained the process for adjusting the mill levies, as the residential assessment rate will be decreasing from 7.15% to 6.95% for 2023 collection year. Director Iannone reported that the Board has received advice from another accountant and would like to consider an alternate method for calculating the adjustment of the Debt Service mill levy. Director Edwards presented the Board with a proposed revised 2023 Budget, with changes to certain expenditure line items and alternate mill levies for the General Fund and Debt Service Fund. Ms. Wheeler indicated that she is not comfortable signing off on an alternate Debt Service mill levy adjustment without first reviewing the District's bond documents.

Director Iannone opened the public hearing on the proposed 2023 Budget. Ms. Frisbie noted that the notice of the public hearing was

provided in accordance with Colorado law. No written objections have been received prior to the meeting.

The Board and members of the public discussed certain General Fund expenditure line items. It was noted that funds for website maintenance and safety cameras will be added, subject to approval of those items by the Board.

Following public comment, the public hearing was closed.

Following discussion, the Board determined to defer adoption of the 2023 Budget and the setting of the mill levies at this time and to schedule a special meeting in November to consider these items once additional research has been performed.

Discuss Engagement of Auditor to Perform 2022 Audit

The Board determined to defer this matter.

Discuss Monthly Operations Fee

Ms. Wheeler and Director Barr discussed the monthly operations fee with the Board members of the public, noting that the Board is unable to reduce the monthly operations fee at this time.

Other Financial Matters

There were no other financial matters.

Legal Matters

Consider Adoption of 2023 Annual Administrative Resolution

Ms. Frisbie presented the 2023 Annual Administrative Resolution to the Board. The Board determined to set the regular meeting dates in 2023 for June 28 and October 25 at 5:00 p.m. at 8953 Red Primrose Street, with a Zoom option available. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution, with changes as discussed.

Consider Adoption of Resolution Calling May 2023 Election

Ms. Frisbie presented the Resolution Calling the May 2023 Election to the Board. The Board determined to appoint Ashley Frisbie as the Designated Election Official and designated the District's website as the second method of providing notice of the Call for Nominations. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution, with changes as discussed.

Discuss Notice of Claim and Mediation

Director Iannone informed the community that the District is party to a Notice of Claim (the "Claim") that has been filed by a property owner. Director Iannone reported that the parties to the Claim are currently in the process of scheduling a mediation with the hopes of settling the Claim.

Director Iannone reported that administrative costs associated with covenant control and the Claim have been very expensive this year and provided the community with a summary of routine violations, with a request that individual homeowners do their best to comply to help reduce District costs.

Director Barr provided an update on the costs for covenant control administration and issues related to the Claim this year, and for reference, noted that costs for these items are estimated to amount to approximately \$500 per household this year, although it was clarified that these costs are paid for with District funds. Members of the public expressed their concern with the Claim and associated costs to the District.

Ms. Frisbie reported that the District's insurance agent has indicated that the District's insurance will only provide coverage for the Claim if it is determined that the District has liability.

Discuss Status of Transfer of Well Water Rights

Director Barr informed the Board that the transfer of well water rights is still in process.

Update on Developer Matters

Director Barr informed the Board and community that Tracts C and D are still owned by Lokal Homes, and Lokal Homes has recently submitted a Pre-Submittal Inquiry to the Douglas County Department of Community Development with various development plan scenarios for such tracts. Director Barr noted that representatives of Lokal Homes had previously indicated that these tracts would be conveyed to the District and maintained as agricultural or equestrian open space, as provided for in the District's Amended and Restated Service Plan. Director Barr noted that the District is planning to submit a letter to Douglas County in objection of the proposed alternate development plan scenarios. No action was needed by the Board at this time.

Operations & Maintenance Matters

Consider Approval of Proposal from Miller Land Management, Inc. for 2023 Landscape Maintenance Services

Director Barr presented the proposal from Miller Land Management, Inc. for 2023 landscape maintenance services to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the proposal.

Consider Approval of Flock Safety Cameras

The Board discussed security in the community and a recent security issue at one of the homes. It was noted that the Board held a public work session on October 2, 2022, whereby members of the Board and community discussed the Flock Safety camera system. Following discussion, upon a motion duly made and

seconded, the Board unanimously approved the installation of two (2) Flock Safety cameras; one (1) at each community entrance.

Update on Road Repair Work by Douglas County

Director Barr informed the Board that Douglas County will be performing curb and seal repair in 2023 and providing brand new paved roads for the community in 2024.

Board Discussion Regarding Allowance of Chickens

Director Iannone reported that the allowance of chickens was discussed with the Board and community at the October 2, 2022 work session. Director Iannone noted that this matter is still in process and no action is needed today. Following discussion, the Board determined to defer this matter.

Consider Approval of Updates to Rules, Regulations, and Design Guidelines

The Board reviewed proposed updates to the Rules, Regulations, and Design Guidelines, provided by the District's Architectural Review Committee. Ms. Frisbie clarified that HB22-1137 is not applicable to the District. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the updates to the Rules, Regulations, and Design Guidelines as presented.

The Board discussed options related to amending the Amended and Restated Declaration of Protective Covenants and Easements of Two Bridges (the "Covenants"). Ms. Frisbie reported that any amendment to the Covenants will require a 67% majority vote by all property owners and will have associated District costs. The Board discussed obtaining input from property owners on changes. Director Argabright will work on options for seeking such input.

Discuss District Maintenance Services

Director Barr informed the Board that certain homeowners in the community have volunteered to maintain the District's website, free of charge. Director Barr recommended that the Board approve the switch from TEQ Media Group, LLC to volunteer homeowners. Following discussion, upon a motion duly made and seconded, the Board unanimously approved terminating website maintenance services with TEQ Media Group, LLC and utilizing volunteer homeowners to maintain the District's website. Director Barr noted that the District will still need to pay for website hosting and domain name fees.

Discuss Snow Removal at Mailbox Area

Director Barr reminded the community that Douglas County does not provide snow removal services at the mailbox area and asked for volunteers to perform snow removal, as needed.

Consider Approval of Renewal of Property and Liability Coverage, Workers Compensation Coverage,

The Board reviewed the current property and general liability schedule and limits. Director Barr reported that it has come to attention that the District does not own the east bridge and that structural property coverage should be removed from the District's

and SDA Membership for
2023

insurance schedule. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the property and general liability schedule for 2023, subject to removal of structural coverage of the east bridge and addition of coverage for the decorative stones and lights on both bridges, and approved workers compensation coverage and renewal of the SDA membership for 2023.

Public Comment

There was no public comment.

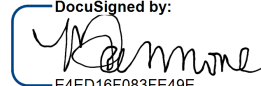
Other Business

There was no other business.

Adjournment

There being no further business to come before the Board and, following discussion, upon a motion duly made, seconded and unanimously carried, the Board determined to adjourn the meeting.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

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Board Member