

RECORD OF PROCEEDINGS

**MINUTES OF THE BOARD OF DIRECTORS OF THE
CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT No. 3**

9:00 a.m., February 2, 2024
Via Zoom

ATTENDEES

Directors present: Shawn Batterberry, Linda Batterberry, David Jensen attended via electronic device.

Others present: Charles Norton; Norton & Smith as District Counsel attended via electronic device.
Steve Wasiecko, Genevieve Love, Becca Haines; Mulhern MRE, Inc. attended via electronic device.

Upon motion duly made, seconded, and upon vote, unanimously approved, the Board excused Director Randall Warren and Director Kelly McCurley's absences.

I. Call to Order

The meeting was called to order at 9:27 a.m.
Roll was taken and a quorum was present.

II. Ratify Conflict of Interest Statements

Directors ratified their Conflict of Interest Statements on file with the Secretary of State.

III. Approval of Agenda

The Board reviewed the Agenda. Upon a motion by Director Linda Batterberry, seconded by Director Shawn Batterberry, the Board unanimously approved the agenda.

IV. Public Comment

There were no members of the public present.

V. Review and Approval of Minutes of Prior Meeting

The Board reviewed the minutes of the November 10, 2023 meeting. Upon motion duly made by Director Linda Batterberry, seconded by Director Shawn Batterberry and upon vote, the minutes of the November 10, 2023 meeting were approved as presented.

VI. Administrative Matters

Steve Wasiecko and Genevieve Love reviewed the administrative matters with the Board.

VII. Financial Matters

Steve Wasiecko and Genevieve Love reviewed the financial statements with the Board.

Upon motion made by Director Shawn Batterberry, seconded by Director Linda Batterberry, and upon vote, unanimously carried, the Board approved the check register dated November 4, 2023 - February 2, 2024.

VIII. Legal Matters

Mr. Norton reviewed the legal matters with the Board. The Board discussed the CP4 additional annual debt funds collection for final bond payment.

IX. Adjournment

There being no other business, at 9:45 am, a motion to adjourn was made by Director Shawn Batterberry, seconded by Director Linda Batterberry, and upon vote the motion to adjourn was unanimously approved.

The next regular meeting of the Board of Directors of the Castle Pines Commercial Metropolitan District No. 3 is scheduled for May 3, 2024 at 9:00 a.m. via Zoom Meeting with meeting ID and instructions included on the meeting agenda.

RECORD OF PROCEEDINGS

**MINUTES OF THE BOARD OF DIRECTORS OF THE
CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT No. 3 (CP3)**

9:00 a.m., May 3, 2024
Via Zoom

ATTENDEES

Directors present: Shawn Batterberry, Linda Batterberry, Randall Warren, and David Jensen attended via electronic device.

Others present: Charles Norton; Norton & Smith as District Counsel attended via electronic device.
Steve Wasiecko, Enika Stasko, Becca Haines; Mulhern MRE, Inc. attended via electronic device.

I. Call to Order

The meeting was called to order at 09:04 a.m.
Roll was taken and a quorum was present.

II. Ratify Conflict of Interest Statements

Directors ratified their Conflict of Interest Statements on file with the Secretary of State.

III. Approval of Agenda

The Board reviewed the Agenda. Upon a motion by Director Warren, seconded by Director Linda Batterberry, the Board unanimously approved the agenda with Director Warren abstaining. Upon motion by Director Shawn Batterberry, seconded by Director Warren, the Board unanimously excused Director McCurley from today's meeting.

IV. Public Comment

There were no members of the public present.

V. Review and Approval of Minutes of Prior Meeting

The Board reviewed the minutes of the February 2, 2024 meeting. Upon motion duly made by Director Linda Batterberry, seconded by Director Shawn Batterberry and upon vote, the minutes of the February 2, 2024 meeting minutes were approved as presented.

VI. Administrative Matters

Steve Wasiecko noted that there were no administrative matters for review at this time

VII. Financial Matters

Steve Wasiecko and Enika Stasko reviewed the financial statements with the Board.

Upon motion made by Director Linda Batterberry, seconded by Director Warren, the Board unanimously approved check register dated February 3, 2024 – April 25, 2024.

VIII. Legal Matters

Item #1: CP3 Legal Counsel Charles Norton informed the Board that Castle Pines Metropolitan Commercial District #1 (CP1) had been formally dissolved by the Douglas County District Court and with this order, all previous contracts entered into by CP1 including those with CP3 are no longer in effect. This should close this item for CP3.

Mr. Norton noted that the CP3 auditor should be informed that CP3 is party two only to agreements in the various Castle Pines Metro Districts (#1, #2, #3 and #4) realm that include:

1. The IGA between the Town of Castle Rock and the Castle Pines Commercial Metro Districts regarding the organization, administration, and service plans of the Districts, and
2. The Capital Pledge Agreement regarding debt obligations between CP3 and Castle Pines Commercial Metropolitan District #4 (CP4).

Item #2: CP4 asked CP3 in 2024 to begin collecting and remitting to CP4, an additional debt mill levy to build funds to either pre-pay on the 2022 note when allowed in seven years and/or have funds available to make a large balloon payment due on the maturity date of the note in 2042. CP3 has been collecting these funds YTD. The CP3 Board asked Mr. Norton to secure an agreement with CP4 regarding how CP4 manages, accounts and reports on these additional funds that CP3 has been remitting to CP4 through April of 2024. Mr. Norton reported the CP4 was not interested in such an agreement and recommended to the Board that CP3 continue to collect such funds but keep the funds within a CP3 managed interest-bearing escrow account.

Upon a motion made by Director Warren, seconded by Director Linda Batterberry, the Board unanimously approved a motion to direct staff to pay to CP4 only the portion of the debt service mill levy funds collected to meet the required 2022 bond note's scheduled payment due this year (in 2024) in accordance with the Pledge Agreement. Additional debt related mill levy collections by CP3 this year shall be placed in an individual interest bearing account dedicated for any debt pre-pay in seven years as allowed per the loan and/or the 2042 balloon payment as required by the current debt schedule.

Staff shall make the appropriate accounting/payment adjustments to CP4 taking into account and adjusting for additional funds paid this year to meet the motion as approved.

Item #3: Mr. Norton briefed the Board regarding the status of the purchase options with current Board members in that they follow the sale of the property. He validated that the new Primrose property owner, Mr. Grossman of Castle RK Realco LLC has agreed to accept the assignment of the purchase options by Batterberry Land Group, LLC to Castle RK Realco, LLC and all purchase options are in full effect for the current Board. Staff was instructed to release the 2023 debt tax reimbursement, as pro-rated based on the property sale date in November of 2022, to Castle Realco. This payment was approved by the Board at the November 2023 meeting.

IX. Adjournment

There being no other business, at 9:47 am, a motion to adjourn was made by Director Linda Batterberry, seconded by Director David Jensen, and upon vote the motion to adjourn was unanimously approved.

The next regular meeting of the Board of Directors of the Castle Pines Commercial Metropolitan District No. 3 is scheduled for August 2, 2024 at 9:00 a.m. via Zoom Meeting with meeting ID and instructions included on the meeting agenda.

RECORD OF PROCEEDINGS

**MINUTES OF THE BOARD OF DIRECTORS OF THE
CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT No. 3 (CP3)**

9:00 a.m., August 2, 2024
Via Zoom

ATTENDEES

Directors present: Shawn Batterberry, Linda Batterberry, Randall Warren, and David Jensen attended via electronic device.

Others present: Charles Norton; Norton & Smith as District Counsel attended via electronic device.
Steve Wasiecko, Enika Stasko, Becca Haines; Mulhern MRE, Inc. attended via electronic device.
Steve Dazzio; Dazzio & Associates, PC

I. Call to Order

The meeting was called to order at 09:08 a.m. Roll was taken and a quorum was present.

II. Ratify Conflict of Interest Statements

Directors ratified their Conflict of Interest Statements on file with the Secretary of State.

III. Approval of Agenda

The Board reviewed the Agenda. Upon a motion by Director Linda Batterberry, seconded by Director Warren, the Board unanimously approved the agenda. Director McCurley has submitted a letter of resignation effective in July, 2024. The Board will take steps to recruit and consider a replacement appointee to complete Director McCurley's seat.

IV. Public Comment

There were no members of the public present.

V. Review and Approval of Minutes of Prior Meeting

The Board reviewed the minutes of the May 5, 2024 meeting. Upon motion duly made by Director Linda Batterberry, seconded by Director Warren and upon vote, the May 5, 2024 meeting minutes were approved as presented.

VI. Administrative Matters

Steve Wasiecko reviewed administrative matters with the Board and addressed Board questions.

VII. Financial Matters

Steve Wasiecko and Enika Stasko reviewed the financial statements with the Board.

Upon motion made by Director Jensen, seconded by Director Linda Batterberry, the Board unanimously approved check register dated April 26, 2024 – July 26, 2024.

VIII. Review of Draft Financials for Audit

Steve Dazzio reviewed the financial audit with the Board and addressed Board questions.

Upon motion made by Director Linda Batterberry, seconded by Director Jensen, the Board unanimously accepted the financial audit as presented by Dazzio & Associates for submittal.

IX. Legal Matters

Charles Norton briefed the Board on current legal matters and addressed Board questions. The Board discussed the annual payment and funds required for possible future balloon payments for a loan held by Castle Pines Commercial Metropolitan District #4 in which CP3 is party to per a pledge agreement.

X. Adjournment

There being no other business, at 10:09 am, a motion to adjourn was made by Director Linda Batterberry, seconded by Director Shawn Batterberry, and upon vote the motion to adjourn was unanimously approved.

The next regular meeting of the Board of Directors of the Castle Pines Commercial Metropolitan District No. 3 is scheduled for November 1, 2024 at 9:00 a.m. via Zoom Meeting with meeting ID and instructions included on the meeting agenda.

RECORD OF PROCEEDINGS

**MINUTES OF THE BOARD OF DIRECTORS OF THE
CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT No. 3 (CP3)**

9:00 a.m., November 1, 2024

Via Zoom

ATTENDEES

Directors present: Shawn Batterberry, Linda Batterberry, Randall Warren, and David Jensen attended via electronic device.

Others present: Charles Norton; Norton & Smith as District Counsel attended via electronic device.
Steve Wasiecko, Enika Stasko, Becca Haines; Mulhern MRE, Inc. attended via electronic device.

I. Call to Order

The meeting was called to order at 09:05 a.m. Roll was taken and a quorum was present.

II. Ratify Conflict of Interest Statements

Directors ratified their Conflict of Interest Statements on file with the Secretary of State.

III. Approval of Agenda

The Board reviewed the Agenda. Upon a motion by Director Jensen, seconded by Director Warren, the Board unanimously approved the agenda.

IV. Public Comment

There were no members of the public present.

V. Review and Approval of Minutes of Prior Meeting

The Board reviewed the minutes of the August 2, 2024 meeting. Upon motion duly made by Director Warren, seconded by Director Jensen and upon vote, the August 2, 2024 meeting minutes were approved as presented.

VI. Administrative Matters

Steve Wasiecko reviewed administrative matters with the Board and addressed Board questions. The Administrative matters included the ratification of the 2025 Administration Matters Resolution, the approval of the 2025 Management Agreement and the 2025 Board Workers Compensation General Liability Insurance, the Audit Engagement letter for the 2024 Audit Approval, and the 2025 Meeting Dates, Times, and Locations.

VII. Public Hearing on 2025 Budget and 2024 Budget Amendment

Upon motion duly made by Director Shawn Batterberry, seconded by Director Warren, the Board opened a public hearing on the 2025 Budget and 2024 Budget Amendment. There was no public present. The public comment portion of the hearing was closed. Mr. Wasiecko reviewed the Budget and Amendment and recommended approval for both.

Regarding the 2025 Budget -- there was new information since the proposed budget was sent to the Board that the Castle Pines Commercial Metro District No. 4 (CP4) would no longer be collecting additional funds

for the 2042 final year balloon payment nor asking Castle Pines Commercial Metro District No. 3 (CP3) to collect such funds for the loan held by CP4 in which CP3 is a party to per the Pledge Agreement. CP4 informed CP3 that they are now considering some type of future refinance. Therefore, the additional debt fund mills to fund CP3s share of the balloon payment amount was recommended to be removed from the proposed budget resulting in a decrease of the debt mill rate from 18.1 to 14.0. This will result in an expenditure reduction in the budgeted Douglas County Treasurers Office collection fees from \$2,200 to \$1,700.

Regarding the 2024 Budget Amendment, Mr. Wasiecko noted that due to some unforeseen legal fees regarding the 2042 balloon payment to CP4 issue and the disillusionment of Castle Pines Commercial Metro District No. 1, that a proposed increase in the legal and contingency lines items totaling \$17,000 should be included in a supplemental appropriation. This added amount is a safety measure and it is expected that only small portion will be actually needed.

VIII. Consider Resolution to Adopt 2025 Budget, Appropriate Sums of Money, and Certification for the Tax Levy for the District

The Board considered the Resolution to Adopt the 2025 Budget, Appropriate Sums of Money, and Certification of the Tax Levy for the District with adjustments recommended at this meeting and for revenue neutral adjustments pending the final assessed valuation from Douglas County expected around December 1. Upon motion duly made by Director Warren, seconded by Director Shawn Batterberry, the 2025 Budget Resolution was approved by the Board.

Upon motion duly made by Director Shawn Batterberry, seconded by Director Linda Batterberry, the Board approved the adjustment from the proposed to final budget debt mill levy resulting in the 2025 Mill Tax Levy of 21.0 mills total (7.0 General Fund, 14.0 Debt Fund).

IX. Consider Resolution to Amend the 2024 Budget

The Board considered the Resolution to Amend the 2024 Budget. Upon motion duly made by Director Shawn Batterberry, seconded by Director Warren, the Resolution to Amend the 2024 Budget was approved as recommended.

X. Financial Matters

Steve Wasiecko and Enika Stasko reviewed the financial statements with the Board.

Upon motion made by Director Jensen, seconded by Director Shawn Batterberry, the Board unanimously approved check register dated July 27, 2024 – October 30, 2024.

XI. Legal Matters

Charles Norton briefed the Board on current legal matters and addressed Board questions.

XII. Adjournment

There being no other business, at 9:45 am, a motion to adjourn was made by Director Shawn Batterberry, seconded by Director Warren, and upon vote the motion to adjourn was unanimously approved.

The next regular meeting of the Board of Directors of the Castle Pines Commercial Metropolitan District No. 3 is scheduled for February 3, 2025 at 9:00 a.m. Castle Rock Chamber of Commerce, 420 Jerry Street, Castle Rock, CO 80104 and/or via Zoom Meeting with meeting ID and instructions included on the meeting agenda.