

# RECORD OF PROCEEDINGS

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## MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF

## HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT

Held: Monday, September 23, 2019, at 12:00 PM at 1641 California Street, Suite 300, Denver, Colorado 80202

### Attendance

The special meeting of the Board of Directors of the Hillside at Castle Rock Metropolitan District was called and held, as shown, in accordance with Colorado law. The following directors confirmed their qualification to serve on the Board:

Miles Grant  
Steven Schulz

Absent was Director Ronald J. Snow, whose absence was excused.

Also present was Michael Davis, Miller & Associates Law Offices, LLC.

### Call to Order

Mr. Davis noted that a quorum of the Board was present and the Directors confirmed their qualification to serve.

### Disclosure Matters

Mr. Davis advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. The Board reviewed the agenda for the meeting, following which each Board member confirmed the contents of written disclosures previously made, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. Additionally, the Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

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Director Grant disclosed that he manages Schulz-Grant, LLC which is a J.V. partner of Hillside at Castle Rock Owner, LLC, the owner of the project. He also disclosed he is the manager's representative for the entity that owns the real property within the District. Director Grant also disclosed he manages the development of the infrastructure and housing products within the project and has a minority ownership in the company building and selling the homes in the project within the Metropolitan District. These disclosures are associated with the approval of items on the agenda that may affect his interests.

Director Schulz disclosure that he has a contract to purchase an undivided interest in vacant land located within the District. He also disclosed that he owns a substantial interest in Hillside at Castle Rock Owner, LLC, the entity that owns and/or develops real property within the District. Director Schulz also disclosed that he is a real estate broker with Keller Williams DTC and may receive commissions on the sale of property within the District. This disclosure is associated with the approval of items on the agenda that may affect his interests.

Written disclosures of the interests of all of the directors were filed with the Secretary of State prior to the meeting.

Approval of Minutes – July 15, 2019

The minutes for the July 15, 2019 meeting were reviewed by the Board. Upon motion by Director Grant and second by Director Schulz, the Board unanimously approved the minutes as presented.

Public Hearing to Consider 2020 Budget

Mr. Davis presented a proposed budget for 2020. Mr. Davis noted that notice of the public hearing for the budget was posted in three locations within the boundaries of the District and otherwise published in accordance with Colorado law. Upon motion of Director Grant and second by Director Schulz, Director Grant opened the public hearing. No one providing any comments to the budget, upon motion by Director Grant and second by Director Schulz, Director Grant closed the hearing.

Approval of 2020 Budget

Mr. Davis advised the Board of the details of the 2020 budget. Upon review and discussion and upon the motion of Director Grant and second by Director Schulz, the Board unanimously approved the proposed budget for 2020, subject to receipt of the final assessed value of the District by the County Assessor, and appropriated the funds therefore. Pursuant to Colorado law, a mill levy of 0.000 mills will be certified for collection in 2020. The

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	<p>Board also authorized the execution of its budget resolution containing details of the Board action.</p>
<p>Approval of 2020 Annual Administrative Resolution</p>	<p>The directors discussed various administrative matters to be determined by the Board on an annual basis in order to comply with Colorado law. Mr. Davis presented the Board with a resolution designating officers for the District, addressing director compensation, establishing regular meeting dates and notice provisions, and other administrative matters. Upon motion of Director Schulz and second by Director Grant, the Board unanimously approved the annual administrative resolution.</p>
<p>Consider Resolution Waiving Workers' Compensation Insurance for 2020</p>	<p>Mr. Davis presented to the Board the Resolution Waiving Workers' Compensation Insurance for 2020. Upon motion by Director Grant and second by Director Schulz, the Board unanimously approved the resolution.</p>
<p>Consider 2019 Audit Exemption Resolution</p>	<p>Mr. Davis explained the statutory requirements for filing an audit and requesting an audit exemption and noted that because the District's revenues and expenditures did not exceed \$100,000 in 2019, it may be able to request an exemption from the State Auditor. Upon review and consideration, Director Grant moved that the resolution be approved; upon second by Director Schulz, the Board unanimously approved the 2019 audit exemption resolution.</p>
<p>Consider Approval of 2020 Election Resolution</p>	<p>Mr. Davis presented the Board a resolution authorizing the conduct of the May, 2020 director election. Upon motion by Director Grant and second by Director Schulz, the Board unanimously approved the resolution.</p>
<p>Discussion and Update Regarding Status of Development</p>	<p>The Board had a brief discussion regarding the current status of the development located within the boundaries of the District.</p>
<p>Consider Cancellation of November 12, 2019 Regular Meeting</p>	<p>Director Grant moved that the regular board meeting scheduled for November 12, 2019 be cancelled. Upon second by Director Schulz, the Board unanimously approved the cancellation of such meeting.</p>
<p>Other Business</p>	<p>There was no other business at this time.</p>

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Adjournment

There being no further business to come before the Board, upon motion and second, the Board unanimously adjourned the meeting. The next regular meeting of the Board is scheduled for Tuesday, May 12, 2020 at 9:00 A.M.

DocuSigned by:

*Brian Healy*

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Secretary for the District