

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CONSOLIDATED BELL MOUNTAIN RANCH METROPOLITAN DISTRICT
HELD APRIL 6, 2010

A regular meeting of the Board of Directors of the Consolidated Bell Mountain Ranch Metropolitan District was held on Tuesday, April 6, 2010 at 6:30 p.m. at Lowell Ranch, 2330 South I-25.

Attendance

In attendance were Directors:

Jeanne Dassel
Alan Cobb
Russell Grant
Bob Brabec
Kirk Fischer

Also in attendance:

Chuck Reid; R.S. Wells L.L.C.
Tim Flynn, Esq.; Collins Cockrel and Cole
John Simmons; Simmons & Wheeler P.C.
Sam Sharp; D.A. Davidson & Company

Residents in attendance:

Al Hawkins; 1238 Riva Rose Circle, Castle Rock, CO
Bob Zimmerman; 1240 Glade Gulch, Castle Rock, CO
Jean Brabec; 3195 Glade Gulch Circle, Castle Rock, CO

Call to Order

Director Dassel called the meeting to order at 6:50 p.m. Director Dassel also noted that the meeting had been posted and is being held in a location that meets statutory requirements.

Conflicts of Interest

Mr. Flynn reported that all of the directors had previously filed Disclosure of Potential Conflict of Interest Statements with the Board and with the Secretary of State in accordance with statutory requirements. Such conflicts arise from each Director's respective directorship position with the BMR Metropolitan District, which provides water service to all of the residences within the District and has entered into and may from time to time enter into agreements with the District. In addition, Director Brabec disclosed that he is a member of the Bell Mountain Ranch Home Owners Association Board of Directors.

RECORD OF PROCEEDINGS

All Disclosure of Potential Conflict of Interest Statements, whether filed for this meeting or previously are deemed continuing in nature and are incorporated into the record of the meeting. Each Director summarily stated for the record the fact and nature of his or her respective private interests and further stated that the determination to participate in voting or take any other action on any contract or other matter in which he/she may have a private interest would be made in compliance with Section 24-18-201(1)(b), C.R.S., on an *ad hoc* basis. The Board then turned its attention to the agenda items.

Approval of Agenda

The agenda was modified to add approval of March 9, 2010 session minutes. Also under the Director's items, Director Brabec requested the addition of proposals from Ferguson & Sons for cracked ceiling, APM for trail improvements and Reitz Land Management for mowing and spraying services. Additionally Director Dassel requested reimbursement for her attendance at a training session regarding bonds. After these additions, there was a motion to approve the agenda made by Director Brabec, seconded by Director Grant and, upon vote, unanimously carried, the Board approved the agenda as amended.

Presentation

The presentation by Sam Sharp was held until after action items were completed.

Manager's Report / Administrative Matters

A. Review and Consider Approval of Minutes for March 2, 2010 Regular Meeting

Following review and discussion, upon a motion duly made by Director Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved the minutes as presented.

There was a motion to approve the study session minutes from March 9, 2010 made by Director Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved the minutes as presented.

B. Review and Consider Approval of Minutes for March 18, 2010 Special Meeting

There were changes for the minutes from March 18, 2010. Following review and discussion, there was a motion to table the minutes and bring them back to the May meeting made by Director Cobb, seconded by Director Grant and, upon vote, unanimously carried, the motion passed.

RECORD OF PROCEEDINGS

C. Review and Consider Approval of Claims for March 2010

Following review, upon a motion duly made by Director Fischer, seconded by Director Grant and, upon vote, unanimously carried, the Board approved the claims for March 2010 totaling \$22,606.39, represented by check numbers 2255 through 2263.

D. Review and Consider Approval of Financial Statements as of February 28, 2010

Mr. Simmons presented the financial statements and current cash position. Following review, upon a motion duly made by Director Cobb, seconded by Director Grant and, upon vote, unanimously carried, the Board accepted the financial statements and cash position reports.

E. June Meeting Date

There was a motion duly made to Director Brabec, seconded by Director Fischer and upon vote, unanimously carried, the Board canceled the June regular meeting and set a special meeting for Tuesday, June 8, 2010 at 6:30 p.m. at MedVed Autoplex.

F. Other

None.

Action Items

A. Review and Consider Approval of Draft 2009 Audit

Following review and discussion, upon a motion duly made by Director Brabec, seconded by Director Grant and, upon vote, unanimously carried, the Board approved the draft 2009 audit with modifications provided by Mr. Flynn to notes 5 and 8, and upon receipt of an unqualified opinion from the auditor.

Director Items

A. Water Settlement Update

The water settlement agreement has been completed.

B. Other

Director Brabec requested a motion to approve work by Ferguson & Sons to do crack filling and sealant in the road network, in an amount not to exceed \$2,000. Following discussion, upon a motion duly made by Director Grant, seconded by Director Fischer and, upon vote, unanimously

RECORD OF PROCEEDINGS

carried, the Board approved additional crack filling and sealant by Ferguson & Sons for an amount not to exceed \$2,000.

Director Brabec requested a motion approving trail improvements done by APM in an amount not to exceed \$465. Following discussion, upon a motion duly made by Director Cobb, seconded by Director Fischer and, upon vote, unanimously carried, the Board approved trail improvements done by APM in an amount not to exceed \$465.

Director Brabec then requested a motion approving mowing and spraying on the right-of-ways throughout Bell Mountain Ranch from Reitz Management in an amount not to exceed \$5,500. Following discussion, upon a motion duly made by Director Grant, seconded by Director Fischer and, upon vote, unanimously carried, the Board approved mowing and spraying on the right-of-ways throughout Bell Mountain Ranch from Reitz Management in an amount not to exceed \$5,500.

Director Dassel requested reimbursement for conference costs to attend a "Fundamentals of Bonds" conference that will be held in Denver. The total for the conference is \$745. Following discussion, upon a motion duly made by Director Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved Director Dassel reimbursement of the conference cost in the amount of \$745. This check will be processed upon request by Director Dassel.

D.A. Davidson Presentation

The Board then heard a presentation by Mr. Sharp from D.A. Davidson & Company regarding refinancing options for the District's current debt. Mr. Sharp's presentation focused on a handout that included a term sheet, schedule of events and historic interest rates.

The District is looking at refunding its current bonds and refinancing as its current debt is priced at approximately 7% interest. Mr. Sharp believes that savings may be obtained by refinancing and that the District will review this and options provided by Mr. Sharp before finalizing any plans. A proposal prepared by Mr. Sharp highlighted that this is a bond refunding and there is no new debt.

Following discussion, upon a motion duly made by Director Cobb, seconded by Director Brabec and, upon vote, unanimously carried, the Board approved agreements with D.A. Davidson & Company to serve as underwriter, and with Sherman & Howard to serve as bond counsel, subject to legal review of both proposals and engagement letters by Mr. Flynn.

Following discussion, upon a motion duly made by Director Cobb, seconded by Director Brabec and, upon vote, unanimously carried, the

RECORD OF PROCEEDINGS

Board approved an expenditure not to exceed \$13,000 in two installments to be paid for rating applications, subject to D.A. Davidson & Company's recommendations.

It is anticipated that additional action will be needed on this project and process at the May meeting.

Attorney Items

A. Discuss Draft Agreement with Bell Mountain Stables

It was noted that the draft agreement with Bell Mountain Stables is still in process.

Community
Comments

Mr. Hawkins requested the current water settlement ratification that had been received by the District, that number currently stands at 238.

Adjournment

With no other business to discuss, the meeting was adjourned at approximately 8:40 p.m.

The foregoing minutes were approved by the Board of Directors on the 9th day of June, 2010.

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

Respectfully submitted,


Secretary for the Meeting