

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CONSOLIDATED BELL MOUNTAIN RANCH METROPOLITAN DISTRICT HELD AUGUST 3, 2010

A regular meeting of the Board of Directors of the Consolidated Bell Mountain Ranch Metropolitan District was held on Tuesday, August 3, 2010 at 6:30 p.m. at Lowell Ranch, 2330 South I-25, Castle Rock, Colorado 80104.

Attendance

In attendance were Directors:

Jeanne Dassel
Alan Cobb
Kirk Fischer

Residents and others in attendance:

Al Hawkins; 1238 Riva Rose Circle, Castle Rock, CO
Bob Zimmerman; 1240 Glade Gulch, Castle Rock, CO
Lynne Norwood; 3590 Winterhawk Cir., Castle Rock, CO
Al Quist; 908 Glade Gulch Road, Castle Rock, CO

Also in attendance:

Chuck Reid; R.S. Wells LLC / Clifton Gunderson LLP
Tim Flynn, Esq.; Collins Cockrel and Cole
Dave McElwain; ASG Integrated Services

Call to Order

Director Dassel called the meeting to order at 8:02 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.

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.

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Approval of Agenda

Following review, Director Fischer moved and Director Cobb seconded a motion to approve the agenda as amended and excused the absence of Directors Brabec and Grant.

Security Cameras/ Presentation

Dave McElwain of ASG Integrated Services gave a presentation on security cameras for the Bell Mountain Ranch entrance. He informed the Board they would need someone to operate and review as needed, and that the cameras record on motion in two weeks data storage. The approximate price for cameras would be \$10,000.

Manager's Report / Administrative Matters

- A. Review and Consider Approval of Minutes for July 6, 2010 Regular Meeting

Following review and discussion, there was a motion to approve the July 6, 2010 regular meeting minutes made by Director Fischer, seconded by Director Cobb. The motion passed unanimously.

- B. Review and Consider Approval of Claims for July 2010

Following review, upon a motion duly made by Director Cobb, seconded by Director Fischer and, upon vote, unanimously carried, the Board approved the claims totaling \$14,067.89, represented by check numbers 2290 through 2294.

- C. Review and Consider Approval of Financial Statements

The Board reviewed the financial statements as of June 30, 2010. Following review, Director Cobb moved and Director Fischer seconded a motion accepting the cash position, subject to minor correction on balance sheet.

Action Items

Nothing to report.

Director Items

- A. Road Improvements

Director Grant has requested an additional \$4,300 over the initial approval for the seal coat project, making the new project total \$48,016.80. Additionally, and in order to address substantial erosion due to summer rains, the Board discussed approving an additional \$3,000 per month to Advance Property Maintenance for shoulder, path and road improvements. Funds allotted in the budget for road improvements will be used until depleted. Following discussion, upon a motion made by Director Cobb, seconded by Director Fischer and, upon vote, unanimously carried, the

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Board approved the additional amount of \$4,300 for the seal coat project and an additional \$3,000 monthly for road improvements, subject to depletion of funds allotted for road improvements in budget.

B. Security Arrangements for Subdivision

Discussed earlier in meeting.

C. Path Repairs

During the month, Advanced Property Maintenance was approved to perform certain path repairs for a cost of approximately \$2,800. Following the Chair's request that this expenditure be ratified, a motion to ratify and approve the same was made by Director Cobb and seconded by Director Fischer. The motion was unanimously adopted.

Attorney Items

A. Amendments 60 and 61, and Proposition 101

Mr. Flynn reported on Amendments 60 and 61, and Proposition 101, initiatives that will be on the November ballot and that individually harm local government funding, and that collectively would dramatically affect local government funding and services.

B. Execution Session Pursuant to §24-6-204(4)(e), C.R.S.

No executive session was needed.

Community Comments

A. Recycled Asphalt

Mr. Quist commented that recycled asphalt is being installed at various locations throughout the District and suggested, given appropriate temperature conditions, that areas that are substantially eroded could be fixed with recycled and rolled asphalt.

B. Sweepings Being Dumped in Rock Areas

Mr. Quist informed the Board that Advance Property Maintenance has been dumping sweepings in the rock area outside the Bell Mountain Ranch entrance and that this needs to be cleaned at a later date, resulting in inefficiency and more cost to the District. He requested that the road sweeping to be done earlier in the year, and that dumping occurs in a different location.

C. HOA Projects to be Addressed in the Community

Ms. Norwood noted that the HOA is looking for projects that need to be addressed in the community and requests input from the District.

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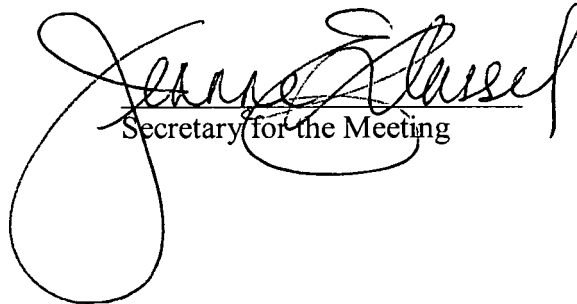
Adjournment

With no other business to discuss, the meeting was adjourned at 8:25 p.m.

The foregoing minutes were approved by the Board of Directors on the 14 day of September, 2010.

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

Respectfully submitted,


Secretary for the Meeting