

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
BMR METROPOLITAN DISTRICT
HELD FEBRUARY 2, 2010

A regular meeting of the Board of Directors of the BMR Metropolitan District was held on Tuesday, February 2, 2010 at 6:00 p.m. at Lowell Ranch, 2330 South I-25. The meeting was open to the public.

Attendance

In attendance were Directors:

Jeanne Dassel
Alan Cobb
Russell Grant
Kirk Fischer
Bob Brabec

Also in attendance:

Chuck Reid; R.S. Wells L.L.C.
John Simmons; Simmons & Wheeler P.C.
Tim Flynn, Esq.; Collins Cockrel and Cole
Jeff Sucher; Treatment Technology

Residents in attendance:

Al Hawkins; 1238 Riva Rose Circle, Castle Rock, CO
Bob Zimmerman; 1240 Glade Gulch, Castle Rock, CO
Jack Shiker; 4424 Mariposa Road, Castle Rock, CO
Dunice Williams; 1062 Glade Gulch Road, Castle Rock, CO
Lynn Norwood; 1062 Glade Gulch Road, Castle Rock, CO

Call to Order

Director Dassel, called the meeting to order at 6:00 p.m. and declared a quorum was present.

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 because each Director is also a Director on the Consolidated Bell Mountain Ranch Metropolitan District. The Consolidated Bell Mountain Ranch Metropolitan District has entered into and may from time to time enter into additional agreements with the BMR Metropolitan District. Director Brabec disclosed that in addition to the foregoing he sits on the Board of Directors of the Bell Mountain Ranch

Homeowners Association.

All Disclosure of Potential Conflict of Interest Statements, whether filed for this meeting or previously filed are deemed continuing in nature and are incorporated into the record of this meeting. All Directors stated that the participation of at least three of them in the meeting was necessary to obtain a quorum of the Board or otherwise enable the Board to act.

After each Director had summarily stated for the record the fact and nature of his or her respective private interest and stated that the determination to participate in voting or take any other action on any contract or other matter in which he or she may have a private interest would be made in compliance with Section 24-18-201(1)(b)(V), C.R.S., on an *ad hoc* basis, the Board turned its attention to the remaining agenda items.

Approval of
Agenda

The agenda was approved as presented.

Administrative
Matters

A. Review and Approval of January 5, 2010 Special Board Meeting Minutes

Upon a motion duly made by Director Fischer, seconded by Director Grant and, upon vote, unanimously carried, the Board approved the January 5, 2010 special board meeting minutes as presented.

B. Review and Consider Approval of Claims for January 2010

Following review, upon a motion duly made by Director Brabec, seconded by Director Grant and, upon vote, unanimously carried, the Board approved claims totaling \$38,152.16, represented by check numbers 1862 through 1875.

C. Review and Consider Acceptance of Unaudited Financial Statements as of December 31, 2009

The Board reviewed the unaudited financial statements. Following review and discussion, upon a motion duly made by Director Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board accepted the unaudited financial statements as of December 31, 2009 as presented.

RECORD OF PROCEEDINGS

D. 2009 Audit

Following discussion, upon a motion duly made by Director Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board appointed using the firm of L. Paul Goedecke P.C. to perform the District's 2009 audit for a fee not to exceed \$3,950, subject to legal counsel's review and approval of the Audit Engagement Letter.

Discussion Items

A. 2010 Service and Consultant Contracts

Mr. Flynn provided the TetraTech agreement to the Board. 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 contract as presented.

Mr. Flynn reported that the Treatment Technology agreement is close to being finalized. The Board discussed the fact that Treatment Technology does not have professional liability insurance. Following discussion, upon a motion duly made by Director Brabec, seconded by Director Fischer and, upon vote, unanimously carried, the Board approved the agreement, subject to final language by Legal Counsel.

Action Items

A. Request for Waiver of Fees and Penalties – 3842 Bell Mountain Drive

Following review and consideration, upon a motion duly made by Director Fischer, seconded by Director Cobb and, upon vote, unanimously carried, the Board denied the request for waiving of fees and penalties for 3842 Bell Mountain Drive. After further discussion, upon a motion duly made by Director Brabec, seconded by Director Grant and, upon vote, unanimously carried, the Board approved a 3 month payment plan if all other charges are current.

Attorney Items

A. Bill Adjustment Policy

Mr. Flynn distributed a draft bill adjustment policy to the Board that will be discussed at the March board meeting.

Mr. Flynn also reported that the parties are close to breaking escrow and recording various documents pursuant to the global Water Settlement Agreement approved last year. He then distributed a proposed First Amendment to the Settlement

Agreement as well as a proposed form of Certification to be signed by the Board in connection with the recording of various documents currently in escrow. Following discussion, upon a motion duly made by Director Brabec, seconded by Director Fischer and, upon vote, unanimously carried, the Board approved the First Amendment to the Settlement Agreement and the form of Certification that was also distributed by Mr. Flynn; provided, both documents in their final form are substantially in the form as submitted to the Board and approved at this meeting.

Manager

A. Consumption and Charges Report

Mr. Reid distributed the consumption and charges report to the Board. The report was reviewed and no action was taken.

B. Backflow Prevention Device Testing

The Board requested that language be added to a future bill regarding backflow device testing of fire suppression system.

C. R.S. Wells L.L.C. Management Contract

The R.S. Wells L.L.C. 2010 contract is the only consultant contract that still needs execution. Director Dassel will work with Mr. Reid and Mr. Flynn on this contract.

Engineer

The engineer was not present for any updates.

Water System

Mr. Sucher distributed and reviewed his report with the Board. He noted that there needs to be a new backwash / waterline at an estimated cost of \$1,000, a new lock has been installed on the gate, and a surge protector is wired and installed at the tank.

Directors' Items

Nothing to report at this time.

Other Business

Director Dassel reported that the permit for the second well has been approved.

Community
Comments

There were no community comments.

RECORD OF PROCEEDINGS

Executive Session

The Board did not go into executive session.

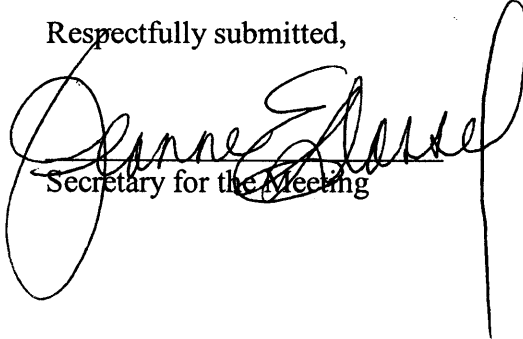
Adjournment

There being no further business to come before the Board, the Board adjourned the meeting at 6:51 p.m.

The foregoing minutes were approved by the Board of Directors on the 2 day of March, 2010.

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

Respectfully submitted,



Secretary for the Meeting