

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CONSOLIDATED BELL MOUNTAIN RANCH METROPOLITAN DISTRICT HELD FEBRUARY 2, 2010

A regular meeting of the Board of Directors of the Consolidated Bell Mountain Ranch Metropolitan District was held on Tuesday, February 2, 2010 at 7:00 p.m. at Lowell Ranch, 2330 South I-25.

Attendance

In attendance were Directors:

Jeanne Dassel
Alan Cobb
Kirk Fischer
Russell Grant
Bob Brabec

Also in attendance:

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

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 7:00 p.m., declared a quorum present, and noted that all Director's were present. 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.

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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

Upon a motion duly made by Director Grant, seconded by Director Brabec and, upon vote, unanimously carried, the Board approved the agenda as amended with an addition of Outdoor Arena Issue under Director Items.

Manager's Report / Administrative Matters

- A. Review and Consider Approval of Minutes for January 5, 2010 Special Meeting

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

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

Following review, upon a motion duly made by Director Grant, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved the claims for January 2010 totaling \$12,317.91, represented by check numbers 2239 through 2245.

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

Mr. Simmons presented the unaudited financial statements as of December 31, 2009 to the Board. 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 presented.

Action Items

Nothing to discuss at this time.

Director Items

- A. Water Settlement Update

Director Dassel reported that Lochbuie is scheduled to sign tomorrow and that the transaction contemplated by the Settlement Agreement would then be in a position to close in the near future.

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B. Road Delineator Purchase

Director Brabec requested a motion to approve the purchase of a road delineator NTE for \$400. Upon a motion duly made by Director Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved the purchase for an amount not to exceed \$400.

C. Repair of Damage by Vehicle

A motion was made to approve a bid from Advanced Property Maintenance to repair damage from a vehicle driving off road. The Board decided the repairs could wait until the end of winter and requested that this item be added to a future agenda. The Board and community did discuss whether or not to try and recover the costs of repairing damages. The Board will consider drafting a policy.

D. Road Improvements

Director Brabec reported that cracks are appearing on roads and that Ferguson & Sons were used previously for repairs. Director Brabec requested the District approve up to \$2,000 to address these repairs. Upon a motion duly made by Director Fischer, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved up to \$2,000 for crack repairs on roads.

E. Outdoor Arena

Director Dassel reported that the Bell Mountain Ranch Stables may need to expand and that this creates an opportunity for the district to bring closure to outstanding issues between the Stables and the District. While no decision on specific proposals are being requested at this time, Director Dassel wanted to gauge the Board's reaction to discussing issues with the Stables. There was Board consensus to move forward with these discussions.

Attorney Items

A. 2010 Service and Consultant Contracts

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.

Community Comments

A. Status of Stevens Property

Mr. Shiker inquired on the status of the Stevens' property. He was informed that the property was for sale and there had been no activity.

B. Status of Refinancing Bonds

Mr. Zimmerman inquired on the status of refinancing of bonds. Director Cobb reported that the Board is actively investigating the alternatives for refinancing in whole or in part the District's bonds.

C. New Pot Holes on Shoulders of Roads

Ms. Norwood asked the Board if anything can be done with the increase of new potholes in the shoulders of roads. Director Brabec will discuss with Advanced Property Maintenance.

Adjournment

With no other business to discuss, the meeting was adjourned to Executive Session at approximately 7:41 p.m.

Executive
Session

Executive Session Pursuant to C.R.S. §24-6-402(4)(b)(e) to Instruct Negotiators Regarding Agreement with Stables; and, in Connection Therewith, to Receive Legal Advice from Counsel as Needed

Director Dassel moved and Director Brabec seconded a motion for the Board to go into Executive Session pursuant to C.R.S. §24-6-402(4)(b)(e), receiving specific legal advice from an attorney on specific legal questions. Motion carried unanimously.

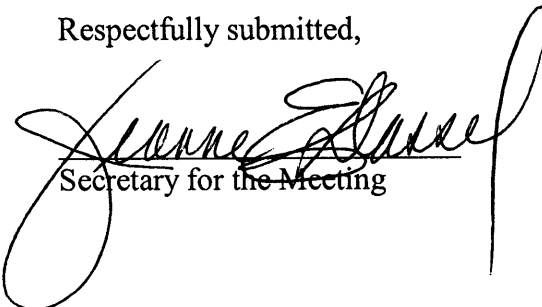
The Board went into Executive Session at approximately 7:41 p.m. with only Attorney Flynn present.

Upon motion duly made by Director Brabec, seconded by Director Grant and, upon vote, unanimously carried, the Board closed the Executive Session, returned to open public meeting and immediately adjourned. There was no action taken by the Board in Executive Session.

The foregoing minutes were approved by the Board of Directors on the 7 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

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ATTORNEY STATEMENT

Pursuant to Section 24-6-402(2)(d.5)(I)(B), C.R.S., I, Timothy J. Flynn, state that I am the attorney for the Consolidated Bell Mountain Ranch Metropolitan District and that I was present at the time the Board convened in Executive Session on Tuesday, February 2, 2010 at approximately 7:41 p.m. I further state that the Executive Session was not recorded because it constituted a privileged attorney/client communication, and that no electronic recording thereof was necessary. The Board did not adopt any proposed policy, position, rule, regulation or take any formal action during the Executive Session.

Date: March 2, 2010

Signature:



Timothy J. Flynn