

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CONSOLIDATED BELL MOUNTAIN RANCH METROPOLITAN DISTRICT HELD JANUARY 5, 2010

A special meeting of the Board of Directors of the Consolidated Bell Mountain Ranch Metropolitan District was held on Tuesday, January 5, 2010 at 6:00 p.m. at Lowell Ranch, 2330 South I-25.

Attendance

In attendance were Directors:

Jeanne Dassel
Alan Cobb
Kirk Fischer
Russell Grant

Absent and excused was Director Brabec (HOA Board).

Also in attendance:

Chuck Reid; R.S. Wells L.L.C.
Tim Flynn, Esq.; Collins Cockrel and Cole

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

Call to Order

Director Dassel called the meeting to order at 7:09 p.m., declared a quorum present, and noted that all Director's were present except for Director Bob Brabec who was absent, and upon a motion by Director Grant, seconded by Director Fischer and, upon vote, unanimously carried, his absence was excused. 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 Fischer, seconded by Director Grant and, upon vote, unanimously carried, the Board approved the agenda as amended with an addition of Mr. Shiker's agenda item request related to road improvements under section 5.C.

Manager's Report / Administrative Matters

- A. Review and Consider Approval of Minutes for September 1, 2009 Special Meeting

It was noted that the special meeting minutes of September 1, 2009 have already been approved.

- B. Review and Consider Approval of Minutes for November 4, 2009 Special Meeting

Following review and discussion, upon a motion duly made by Director Fischer, seconded by Director Grant and, upon vote, unanimously carried, the Board approved the minutes as amended, with the amendment being that Jeff Sucher of Treatment Technology did not attend the District's board meeting.

- C. Ratify Approval of Claims for November 2009

Following review, upon a motion duly made by Director Grant, seconded by Director Fischer and, upon vote, unanimously carried, the Board ratified approval of claims for November 2009 totaling \$25,386.74, represented by check numbers 2221 through 2229.

- D. Review and Consider Approval of Claims for December 2009

Following review and discussion, upon a motion duly made by Director Fischer, seconded by Director Grant and, upon vote, unanimously carried, the Board approved the claims for December 2009 totaling \$17,988.76, represented by check numbers 2230 through 2238, with the exception of check number 2235, which is a BMR Metropolitan District expense. The Board discussed the best to rectify and decided to go ahead and pay the

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\$3,300.00 through the District and have BMR Metropolitan District reimburse the District.

- E. Consider Approval of Resolution 2010-1-1, Establishing Regular Meeting Dates, Time and Location, and Designating Locations for Posting of 72-Hour and 24-Hour Notices for 2010

Following review, upon a motion duly made by Director Grant, seconded by Director Fischer and, upon vote, unanimously carried, the Board adopted Resolution 2010-1-1, Establishing Regular Meeting Dates, Time and Location, and Designating Locations for Posting of 72-Hour and 24-Hour Notices for 2010 as presented.

- F. Consider Approval of Resolution 2010-1-2, Calling for an Election in May 2010

Following review, upon a motion duly made by Director Grant, seconded by Director Cobb and, upon vote, unanimously carried, the Board adopted Resolution 2010-1-2, Calling for an Election in May 2010 as presented.

Action Items

Nothing to discuss at this time.

Director Items

- A. Water Settlement Update

Director Dassel reported that Lochbuie is scheduled to approve the agreement later this month, as which point, all parties will have signed off on the agreement.

- B. Snow Removal Standards

Nothing was discussed at this time.

- C. Road Improvements / Jack Shiker

Mr. Shiker addressed the Board regarding a letter that he had sent to the District Board. The subject of the letter was "Vehicles Driven Through Front Yard of 4424 Mariposa Road". Mr. Shiker contends that the roadway curves and the slope of the roads in this area combined with driver inattention and/or carelessness sometimes result in motor vehicles ending up in his yard. Mr. Shiker asked for specific remediation efforts, including such items as the addition of road delineators, and sand and salt. Mr. Shiker also expressed concerns about the way in which surface water drains onto his lot from the road and surrounding area. Director Dassel noted that the Board will explore Mr. Shiker's letter and discuss in more detail and that the Board would like to make a decision that comprehensively addresses the situation. Director Dassel also noted that

the Board would make a decision on this issue after receiving specific legal advice from the District's attorney in an executive session to be held later this evening and would get back to Mr. Shiker within the week.

Attorney Items

A. 2010 Service and Consultant Contracts

Mr. Flynn has a draft contract for R.S. Wells L.L.C. for management services. Director Dassel would like to negotiate a not to exceed amount for this contract and will work with Mr. Reid.

Executive
Session

Executive Session Pursuant to C.R.S. §24-6-402(4)(b)(e) to Instruct Negotiators Regarding One or More Potential Financial Advisory Services Contracts; and, in Connection Therewith, to Receive Legal Advice from Counsel as Needed

Director Grant moved and Director Cobb 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 7:33 p.m. with only Attorney Flynn present.

Upon motion duly made by Director Grant, seconded by Director Fischer and, upon vote, unanimously carried, the Board reconvened in regular session at approximately 7:50 p.m. There was no action taken by the Board in Executive Session.

Other Items

A. Status of Road Improvements

Following discussion, upon a motion duly made by Director Grant, seconded by Director Cobb and, upon vote, unanimously carried, the Board agreed to enlist Advance Property Maintenance's recommendation of replacement of the delineators and to task the District's engineer to conduct a drainage study to look at the drainage issues in this area.

B. 2009 Audit Engagement Letter

Following discussion, upon a motion duly made by Director Fischer, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved the engagement letter with L. Paul Goedecke P.C. for 2009 audit services.

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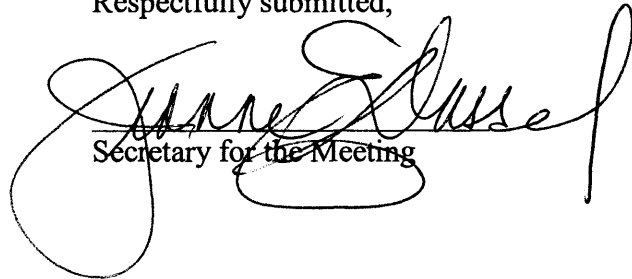
Adjournment

With no other business to discuss, the meeting was adjourned at approximately 7:55 p.m.

The foregoing minutes were approved by the Board of Directors on the 2 day of February

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

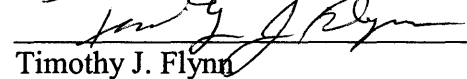
Respectfully submitted,


Secretary for the Meeting

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, January 5, 2010 at approximately 7:33 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: Feb 2, 2010

Signature: 
Timothy J. Flynn