

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CONSOLIDATED BELL MOUNTAIN RANCH METROPOLITAN DISTRICT HELD JULY 7, 2009

A regular meeting of the Board of Directors of the Consolidated Bell Mountain Ranch Metropolitan District was held on Tuesday, July 7, 2009 at 6:30 p.m., at the Lowell Ranch, 2330 South I-25, Castle Rock, Colorado, 80104. The meeting was open to the public.

Attendance

In attendance were Directors:

Jeanne Dassel
Alan Cobb
Bob Brabec
Russell Grant
Kirk Fischer

Also in attendance were:

Chuck Reid; R.S. Wells, L.L.C.
Tim Flynn; Collins Cockrel and Cole
Jeff Sucher; Treatment Technologies
Al Hawkins; 1238 Riva Rose, Castle Rock, CO
Bob Zimmerman; 1240 Glade Gulch Road, Castle Rock, CO
Al Quist; 908 Glade Gulch Road, Castle Rock, CO

Call to Order

Director Dassel called the meeting to order at 7:03 p.m., declared a quorum present, and noted that all Directors 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 / Approval Of Agenda

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 turned its attention to the agenda items.

Upon a motion duly made by Director Brabec, seconded by Director Grant, and upon vote unanimously carried, the Board amended the agenda.

Quorum
Confirmed

A quorum was confirmed for the July 7, 2009 meeting.

Administrative
Matters

- A. Review and Consider Approval of Minutes of Public Presentations on May 6th, 8th, 9th and 13th

There was a motion to approve the minutes of the public presentations of May 6th, 8th, 9th and 13th, made by Director Grant, seconded by Director Cobb, the motion passed unanimously.

- B. Review and Consider Approval of Minutes from the June 2, 2009 Regular Meeting

There was a motion to approve the minutes of June 2, 2009 minutes as amended. The amendment being the correct spelling of Colbe Striping. Upon a motion by Director Grant, seconded by Director Fischer, the motion passed on a 4 – 0 – 1 vote, with Director Brabec abstaining.

- C. Ratify Approval of Claim for June 2009 Totaling \$791.00 Represented by Check Number 2173

A motion was made by Director Grant, seconded by Director Fischer, and unanimously adopted to ratify and approve payment of \$791.00 to Bell Mountain Stables represented by check number 2173 with the express understanding that said amount is an overpayment of \$81.00 for which the District will seek reimbursement. The reimbursement request will be made by Director Dassel.

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

Mr. Reid presented the Board with a list of claims for June 2009 consisting of checks numbers 2174 through 2182 totaling \$31,143.98. Following review, upon a motion duly made by Director Grant, seconded by Director Fischer and, upon vote, unanimously carried, the Board approved the claims for June 2009 totaling \$31,143.98 as presented.

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E. Review and Consider Approval of 2008 Audit

The Board reviewed the 2008 audit and requested that footnote #2 be referenced on page 3 so that if residents have a question regarding the end of year balance for 2008, they are directed to note 2 which further describe the end of year balance. Upon a motion duly made by Director Brabec, seconded by Director Fischer and, upon vote, unanimously carried, the Board approved the 2008 Audit as so amended and authorized its filing with the State Auditor's office.

F. Other

It was noted that the District has received reimbursement from the insurance company for the fence damage that occurred by auto accident earlier this year.

Director Items

A. Chip N Seal Road Project

Director Grant gave an update regarding the chip and seal road project noting that A1 Chip N Seal had been provided the project specifications. Director Brabec will contact Ferguson & Sons to begin crack sealing on the locations that we had chip sealed this year.

B. Road Repair to Water Storage

This work is going well. It is not yet completed. The contractor has been battling all the rain but it's worked well because it's allowed the contractor how well the road drains and multiple culverts have been installed to improve drainage to slow down erosion on the road.

C. Drainage at Riva Rose and Glade Gulch

There was a motion to approve work to be done not-to-exceed \$900.00 by APM to the drainage improvement work on Riva Rose just north of Glade Gulch. Upon a motion by Director Brabec, seconded by Director Fischer, and upon vote, unanimously carried, the motion passed.

Attorney Items

Director Dassel and Mr. Flynn will finalize and start the acquisition/conveyance process for the reciprocal trail/access easements that were discussed previously with Bell Mountain Stables. Additionally, Director Dassel is interested in approaching the Homeowner's Association regarding transfer of trail, parks and walking path maintenance responsibility to the HOA as is indicated in the Bell Mountain Ranch final plat and development plan documents. Director Brabec will discuss this item with the HOA.

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Mr. Flynn requested a subcommittee to begin taking a look at potential refinancing issues that the District may be involved. That subcommittee will include Director Cobb and Director Brabec.

Informational Items Director Brabec requested that the Board approve that the Douglas and Elbert County Horse Council be allowed to hold a trail ride with Bell Mountain on October 3, 2009 and that the District waive the \$500 fee for this. There was a motion to approve the request made by Director Brabec, seconded by Director Grant, and upon vote, unanimously carried. It was noted there will be approximately 40 – 45 riders that participate with this event and that the Douglas and Elbert County Horse Council does have its own insurance and that all riders are required to sign a liability waiver. The authorization granted herein is subject to legal counsel's review and approval of the insurance certificates and liability waivers.

Director Dassel noted that she would like to plan a presentation with the Douglas County Realtors quarterly marketing meeting in October that explains what work the Consolidated Bell Mountain Ranch boards have been doing regarding water settlement agreement. The Board was very pleased with this suggestion and, in fact, encouraged the District to bring food to this meeting as the District markets the work done by Bell Mountain Ranch and why it's a good place for real estate investment at this time.

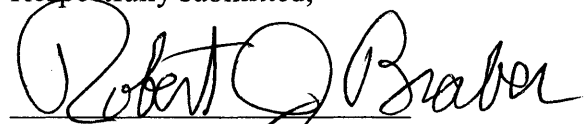
Adjournment

With no other business to discuss, the Board adjourned the meeting at 8:10 p.m.

The foregoing minutes were approved by the Board of Directors on the 4 day of Aug, 2009.

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

Respectfully submitted,


Secretary for the Meeting