

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CONSOLIDATED BELL MOUNTAIN RANCH METROPOLITAN DISTRICT HELD MAY 4, 2010

A regular meeting of the Board of Directors of the Consolidated Bell Mountain Ranch Metropolitan District was held on Tuesday, May 4, 2010 at 6:30 p.m. at Lowell Ranch, 2330 South I-25.

Attendance

In attendance were Directors:

Jeanne Dassel
Alan Cobb
Russell Grant
Bob Brabec
Kirk Fischer

Also in attendance:

Chuck Reid; R.S. Wells L.L.C.
Tim Flynn, Esq.; Collins Cockrel and Cole
Sam Sharp; D.A. Davidson & Company
Blake Jordan, Esq.; Sherman & Howard

Residents in attendance:

Al Hawkins; 1238 Riva Rose Circle, Castle Rock, CO
Bob Zimmerman; 1240 Glade Gulch, Castle Rock, CO
Justin Kolb, 1271 Rosewind, Castle Rock, CO
Randy & Sandi Floyd, 3779 Bell Mountain Drive, Castle Rock, CO

Call to Order

Director Dassel called the meeting to order at 6:30 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

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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

The agenda was modified so that all other items listed on the agenda take place before the refunding presentation. Additionally, updates regarding road improvements and the Bell Mountain Stables were added to the "Directors' Items." Following discussion Director Brabec moved and Director Grant seconded a motion to approve the agenda as amended. The motion passed unanimously.

Manager's Report / Administrative Matters

A. Review and Consider Approval of Minutes for March 18, 2010
Special Meeting

Following review and discussion, there was a motion to approve the March 18, 2010 special meeting minutes made by Director Grant, seconded by Director Fischer. The motion passed unanimously.

B. Review and Consider Approval of Minutes for April 6, 2010
Regular Meeting

Following review and discussion, there was a motion to table the April 6, 2010 minutes and present them at the June meeting made by Director Grant, seconded by Director Brabec. The motion passed unanimously.

C. Review and Consider Approval of Claims for April 2010

Following review, upon a motion duly made by Director Brabec, seconded by Director Grant and, upon vote, unanimously carried, the Board approved the claims for April 2010 totaling \$366,107.70, represented by check numbers 2265 through 2274.

Director Cobb noted that the bond payment was incorrectly identified in the check report and Mr. Reid noted that the invoice from Johnson & Repucci needs to be reconciled as some expenses should have been billed to the BMR Metro District.

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- D. Review and Consider Approval of Cash Position as of May 3, 2010

The Board briefly reviewed the cash position as of May 3, 2010 and took no formal action on the position.

- E. June Meeting Date

Mr. Reid reminded the Board that the June meeting will be held on the second Tuesday of the month, June 8th, at the Castle Rock Medved Chevy dealership.

Director Items

- A. Discussion on Action on an Adjustment to the C-Zone Alignment at 3779 Bell Mountain Drive

Randy and Sandi Floyd, owners and residents of 3779 Bell Mountain Drive, requested that the Board consider supporting their efforts to adjust their property's C-Zone lot line, as identified in Exhibit A of the minutes. The Floyd's acknowledge that they are responsible for all costs arising from this request, and that the District will pay no costs towards the C-Zone realignment, or any re-platting required by Douglas County as part of this request.

Following discussion, Director Brabec moved and Director Fischer seconded a motion approving the proposed adjustment to the C-Zone alignment at 3779 Bell Mountain Drive, subject to the following conditions: (1) that there be no cost for this action borne by the Consolidated Bell Mountain Ranch Metropolitan District and (2) that the Floyds keep the District apprised of the process. The motion passed unanimously.

- B. Road Improvements

Director Brabec has been discussing road improvements with Ferguson & Sons and requested time to discuss these options at June's meeting.

- C. Bell Mountain Stable Agreement

Director Dassel noted that the proposed agreement will:

- Allow expansion of the arena into the adjacent Open Space zone;
- Be for a five-year period, with four five-year renewals (a total of 25 years);
- Require the review and approval of expansion plans and specifications by the District; and
- Require conveyance of easements for the Districts concurrent with, and as a condition of, the agreement's execution.

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The Board took no formal action on this item.

Action Items

A. Resolution 2010 5-1, Regarding Bond Refunding Parameters

Mr. Davidson and Mr. Jordan addressed the Board about the bond refunding options being explored for the District. Mr. Sharp stated that the District's rating is expected to be BBB+, and with a one-time insurance payment of \$290,000, the rating is expected to become AAA. Mr. Sharp expects written commitments from Standard & Poor (the rating agency) and Assured Guarantee (the insurance agency) within the week. Based on the expected ratings, it appears that purchasing insurance will save the District money over the life of the bonds due to a lower interest rate.

Mr. Jordan explained that he had been working with the District's general counsel on the proposed Resolution and that due to the refunding schedule the Board is being requested to approve the Resolution subject to Director Cobb's final review and approval, and authorization for all Board Members to execute the document so that the refunding process may be expedited. Additionally, Mr. Jordan and Mr. Flynn have been working on the "Indenture of Trustee" agreement between the District and Trustee and that this agreement has identified minimum and maximum mill levy rates for the refunding bonds.

Following discussion, Director Brabec moved and Director Cobb seconded a motion approving Resolution 2010 5-1, setting the parameters for a General Obligation Limited Tax Refunding Bonds, Series 2010, subject to final review and approval by Director Cobb, and authorizing any two Board Members to execute the documents on behalf of the District. The motion passed unanimously.

Community
Comments

Mr. Hawkins expressed his appreciation and commended the Board for all of the outstanding work they have accomplished for the community.

Adjournment

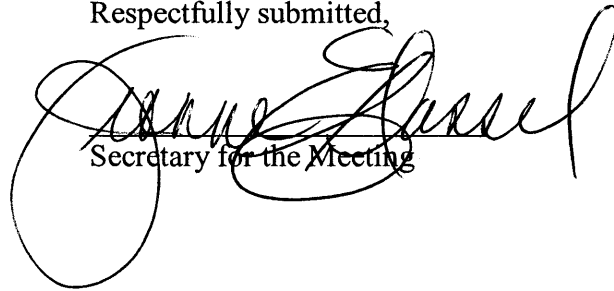
With no other business to discuss, the meeting was adjourned at approximately 7:32 p.m.

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The foregoing minutes were approved by the Board of Directors on the 8-day of June, 2010.

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

Respectfully submitted,


Secretary for the Meeting