

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CONSOLIDATED BELL MOUNTAIN RANCH METROPOLITAN DISTRICT
HELD OCTOBER 6, 2009

A regular meeting of the Board of Directors of the Consolidated Bell Mountain Ranch Metropolitan District was held on Tuesday, October 6, 2009 at 6:00 p.m. at Lowell Ranch, 2330 South I-25.

Attendance

In attendance were Directors:

Jeanne Dassel
Alan Cobb
Bob Brabec
Russell Grant
Kirk Fischer

Also in attendance:

Tim Flynn, Esq.; Collins Cockrel and Cole
Jeff Sucher, Treatment Technology
Chuck Reid; R.S. Wells
Lynne Norwood; BMR HOA
Bob Zimmermann; 1240 Glade Gulch, Castle Rock, CO
Al Hawkins; 1238 Riva Rose, Castle Rock, CO

Call to Order

Director Dassel called the meeting to order at 6:55 p.m. and declared a quorum present.

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 then turned its attention to the agenda items.

Upon a motion duly made by Director Fischer, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved the agenda as presented.

Manager's Report /
Administrative
Matters

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

Following discussion, the Board deferred approval of the September 1, 2009 special meeting minutes.

- B. Review and Consider Approval of Claims for September 2009

Following review, upon a motion duly made by Director Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved claims for September 2009 totaling \$38,784.42, represented by check numbers 2201 through 2209.

- C. Draft 2010 Budget

Director Cobb presented the draft 2010 budget. The Board discussed the draft, and observed that the proposed budget is very limited and causes the need for additional conversation with the Home Owners' Association (HOA) about which entity (District vs. Association) is best suited to perform the services required and requested by the community.

Director Cobb will make changes to the draft budget based upon the conversation and will present the 2010 proposed budget at the public hearing.

Director Cobb requested that the public hearing on the budget be moved to November 4th at 6:30 p.m. so that he may attend. Following discussion, upon a motion duly made by Director Grant, seconded by Director Cobb and, upon vote, unanimously carried, the Board moved its November meeting and the Public Hearing on the proposed 2010 Budget to November 4, 2009 at 6:30 p.m. at Lowell Ranch.

Director Items

- A. Chip N Seal Road Project

Director Grant briefed the Board on the completed Chip N Seal project, with road striping scheduled the week of October 5th. Mr. Flynn will verify if the District needs to advertise for final payment for this project.

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B. Water Settlement Agreement

Director Dassel reported that there are currently 222 signatures.

C. Weeds in the Rights-of-Way

Director Brabec reported that weeds continue to be a problem in the rights-of-way, and that the community needs to spend approximately \$9,000 to spray these weeds. Following additional discussion about the District's tight budget, Director Brabec will approach the HOA about funding this service.

D. District Debt

Director Dassel reported that a sub-committee of the Board is reviewing the District's debt and repayment options.

Attorney Items

Mr. Flynn will verify if the District has waived certain requirements of the Taxpayer Bill-of-Rights, as allowed by the Colorado Constitution.

Community
Comments

A letter of appreciation for the Board's work on the Water Settlement Agreement was read into the record from Lynn Williamson and Bob Axelson.

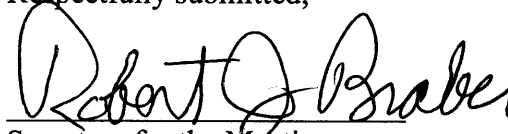
Adjournment

With no other business to discuss, the meeting was adjourned at 7:45 p.m.

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

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

Respectfully submitted,


Secretary for the Meeting