

RECORD OF PROCEEDINGS

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MINUTES OF A SPECIAL MEETING  
OF THE BOARD OF DIRECTORS OF THE  
BMR METROPOLITAN DISTRICT  
HELD  
SEPTEMBER 8, 2008

A special meeting of the Board of Directors of the BMR Metropolitan District was held on Monday, September 8, 2008 at 1:00 p.m. at the offices of R.S. Wells L.L.C., 8390 E. Crescent Pkwy., Suite 500, Greenwood Village, Colorado. The meeting was open to the public.

Attendance: In attendance were Directors:

Evan Zucker  
Scott Schaible

Absent and excused was Director Mulvihill.

Also in attendance:

David Peak; R.S. Wells L.L.C.  
Megan Becher, Esq.; McGeady Sisneros, P.C.  
John Simmons; Simmons & Wheeler P.C.  
Jeff Sucher; Treatment Technology, Inc.  
Benson Smith; Treatment Technology, Inc.  
Don Murray; Treatment Technology, Inc.  
Griff Johnston; Johnston Engineering Associates, Inc.  
Al Quist; 908 Glade Gulch, Castle Rock, CO  
Bob Brabec; 3195 Glade Gulch, Castle Rock, CO  
Jeanne Dassel; 1267 Stardust Circle, Castle Rock, CO

Call to Order Director Zucker called the meeting to order and declared a quorum was present.

Disclosures of Potential Conflicts Of Interest The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute.

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### Approve Agenda

Following review, upon a motion duly made by Director Zucker, seconded by Director Schaible and, upon vote, unanimously carried, the Board approved the agenda as presented and excused the absence of Director Mulvihill.

### Review/Approve Minutes

Following review, upon a motion duly made by Director Schaible, seconded by Director Zucker and, upon vote, unanimously carried, the Board approved the May 12, 2008 Special Board Meeting Minutes as presented.

### Community Comments

Jeanne Dassel requested that the District have the electrical power source to the pump at the well tested by the utility company. Ms. Dassel also would like to see late fees and water rates raised in 2009 so that the District can begin to increase reserves.

### Consultant Reports

A. Manager.

1. Consumption and Charges Report and Delinquent Accounts Report.

Mr. Peak reviewed the consumption and charges report and the delinquent accounts report with the Board. There were no comments.

B. Attorney.

1. Ratify Approval of Promissory Note Between District and Bell Mountain Ranch Associates Limited Partnership.

Discussion ensued regarding the promissory note for the benefit of Bell Mountain Ranch Associates Limited Partnership for operation advances made to the District. After discussion, upon a motion duly made by Director Schaible, seconded by Director Zucker and, upon vote, unanimously carried, the Board approved the promissory note and authorized Director Zucker to sign and return the promissory note to McGeady Sisneros' office.

2. Status of Consolidation Agreement with Consolidated Bell Mountain Ranch Metropolitan District.

Attorney Tim Flynn for Consolidated Bell Mountain Ranch Metropolitan District is preparing a memo and action plan to be distributed to both Boards for review and approval.

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C. Engineer.

1. Update on Phosphorous Allocation Request.

Mr. Johnston reported that tests indicate that the raw water from the well consistently shows undetectable phosphorous. Treatment Technology has a proposal to remove the phosphorous via filters prior to the addition of the corrosion inhibitor which is the source of phosphorous.

Directors' Items

Nothing for discussion.

Financial Matters

A. Ratify Approval of May through July 2008 Claims.

Following review, upon a motion duly made by Director Zucker, seconded by Director Schaible and, upon vote, unanimously carried, the Board ratified approval of the claims for May through July 2008, totaling \$115,959.71, represented by check numbers 1606 through 1640.

B. Review and Consider Approval of August 2008 Claims.

Following review, upon a motion duly made by Director Zucker, seconded by Director Schaible and, upon vote, unanimously carried, the Board approved claims for August 2008, totaling \$28,813.49, represented by check numbers 1641 through 1649.

C. Review and Accept July 31, 2008 Unaudited Financial Statements.

Mr. Simmons presented the unaudited financial statements as of July 31, 2008 to the Board. Following review, upon a motion duly made by Director Zucker, seconded by Director Schaible and, upon vote, unanimously carried, the Board accepted the July 31, 2008 unaudited financial statements as presented.

D. Review and Consider Approval of 2007 Draft Audit.

Following review, upon a motion duly made by Director Zucker, seconded by Director Schaible and, upon vote, unanimously carried, the Board approved the 2007 audit, subject to revisions by District Counsel.

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- E. Discuss the 2009 Budget Process, Setting of Water Rates and Consider Appointing Dave Peak and Simmons & Wheeler to Prepare the Budget.

Following discussion, upon a motion duly made by Director Zucker, seconded by Director Schaible and, upon vote, unanimously carried, the Board appointed Dave Peak and Simmons & Wheeler to prepare the 2009 draft budget.

Water System  
Issues

- A. Update on Water System – Treatment Technology / Don Murray.
1. Status of the Pump.

Mr. Sucher briefed the Board on the status of the pump. Following discussion, upon a motion duly made by Director Schaible, seconded by Director Zucker and, upon vote, unanimously carried, the Board approved a work order in the amount of \$12,375.00 to construct modifications to the treatment plant to remove phosphorous from the water plant operations.

Other Business

- A. Verify Quorum for November 3, 2008 Board Meeting.

The Board confirmed a quorum for the November 3, 2008 regular board meeting.

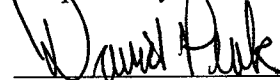
Adjournment

There being no further business to come before the Board, upon a motion duly made by Director Schaible, seconded by Director Zucker and, upon vote, unanimously carried, the Board adjourned the meeting at 2:25 p.m.

The foregoing minutes were approved by the Board of Directors on the 3<sup>rd</sup> day of November, 2008.

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

Respectfully submitted,



Secretary for the Meeting