

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CONSOLIDATED BMR METROPOLITAN DISTRICT HELD NOVEMBER 1, 2011

A regular meeting of the Board of Directors of the Consolidated BMR Metropolitan District was held on Tuesday, November 1, 2011 at 6:45 p.m. at Lowell Ranch located at 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

Residents and others:

Mike Mysliwicz; 4275 Bell Mountain Drive
Ron Bulmer; 3441 Medallion Road
Bob Zimmermann; 1240 Glade Gulch
Al Quist; 908 Glade Gulch
Bill Tilman; 4578 High Spring Road

Also in attendance:

Tim Flynn, Esq.; Collins Cockrel and Cole
Bob Blodgett; Clifton Gunderson, LLP
Jeff Sucher; Treatment Technology, Inc.

Call to Order

Director Dassel called the meeting to order at 6:45 p.m. and verified a quorum.

Upon a motion duly made by Director Brabec, seconded by Director Grant, and upon a vote, unanimously carried, the Board excused the absence of Director Fischer.

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 because each Director is also a Director on the Consolidated Bell Mountain Ranch Metropolitan District. The Consolidated Bell Mountain Ranch Metropolitan District has entered into and may from time to time enter into additional agreements with the BMR Metropolitan District.

All Disclosures of Potential Conflict of Interest Statements, whether filed for this meeting or previously filed are deemed continuing in

RECORD OF PROCEEDINGS

nature and are incorporated into the record of this meeting. All Directors stated that the participation of at least three of them in the meeting was necessary to obtain a quorum of the Board or otherwise enable the Board to act.

After each Director had summarily stated for the record the fact and nature of his or her respective private interest and stated that the determination to participate in voting or take any other action on any contract or other matter in which he or she may have a private interest would be made in compliance with Section 24-18-201(1)(b)(V), C.R.S., on an *ad hoc* basis, the Board turned its attention to the remaining agenda items.

Approval of Agenda

Mr. Blodgett recommended amending the claims total from \$12,692.41 to \$13,592.41 to reflect three additional APM invoices. He also recommended the Direct Pay to IREA total be amended from \$12,224.17 to \$98.76. Mr. Blodgett also recommended that Item 5G, 2012 Annual Administrative Matters Resolution be removed from the agenda. The Board concurred.

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

Manager's Report

A. Review and Consider Approval of Minutes for October 4, 2011 Regular Meeting

Following discussion, and upon a motion duly made by Director Grant, seconded by Director Brabec and upon a vote, unanimously carried, the Board approved the October 4, 2011 Regular Meeting Minutes as submitted.

B. Review and Accept Cash Position as of October 31, 2011

Director Cobb reported he has reviewed the October 31, 2011 Cash Position Report and all is in order.

Upon a motion duly made by Director Grant, seconded by Director Brabec, and upon a vote, unanimously carried, the Board accepted the October 31, 2011 Cash Position Report.

C. Review and Consider Approval of Claims for September 2011 Totaling \$13,592.41 and Direct Pays to IREA Totaling \$98.76

RECORD OF PROCEEDINGS

Upon a motion duly made by Director Grant, seconded by Director Cobb, and upon a vote, unanimously carried, the Board approved the September 2011 claims as revised represented by checks number 2410 through 2414 totaling \$13,592.41 and Direct Pays to IREA totaling \$98.76.

D. 2012 Insurance Renewal

Tabled to the December Board meeting.

E. Review Bridge Inspection Proposal

Mr. Blodgett reported he is waiting on a response from Stantec Engineering. He recommended tabling to the December Board meeting. The Board concurred.

Director Action
Discussion Items

A. Conduct Public Hearing to Consider Amending the 2011 Budget; Consider Adoption of Resolution to Amend 2011 Budget

Mr. Blodgett reported an amendment is not required.

B. Conduct Public Hearing to Consider Adoption of 2012 Budget, Appropriate Expenditures and Set Mill Levy; Consider Adoption of Resolution to Adopt 2012 Budget, Appropriate Expenditures and Set Mill Levy

Upon a motion duly made by Director Brabec, seconded by Director Grant, and upon a vote, unanimously carried, the Board opened the public hearing at 6:50 p.m. There were no public comments.

Upon a motion duly made by Director Brabec, seconded by Director Grant, and upon a vote, unanimously carried, the Board closed the public hearing at 6:51 p.m.

Upon a motion duly made by Director Brabec, seconded by Director Cobb, and upon a vote, unanimously carried, the Board approved Resolution 2011-11-1, Resolution 2011-11-2, and Resolution 2011-11-3 approving the 2012 Budget, Appropriating Expenditures and Setting a Mill Levy of 16.75 mills for the General Fund and 62.119 mills for the Debt Service Fund for a total of 78.869 mills to be collected in 2012.

C. Consider Adoption of Resolution Establishing 2012 Regular Meeting Dates, Time and Location and Designating Location for Posting of 72-Hour and 24-Hour Notices

RECORD OF PROCEEDINGS

Upon a motion duly made by Director Grant, seconded by Cobb, and upon a vote, unanimously carried, the Board approved Resolution 2011-11-5 establishing 2012 regular meeting dates, time and location and designating the location of 72-hour and 24-hour notices

D. Consider Adoption of Resolution Establishing Records Retention Policy

Upon a motion duly made by Director Cobb, seconded by Director Brabec, and upon a vote, unanimously carried, the Board approved Resolution 2011-11-4 adopting the Colorado Special District Records Retention Schedule.

Mr. Flynn noted that he has added a clause requiring that Clifton Gunderson LLP present a list of those records proposed for destruction to the Board of Directors for approval before any records are destroyed.

E. Review and Consider Approval of Engagement Letter with Simmons and Wheeler for 2012 Accounting Services

Deferred to December Board meeting.

F. Review and Consider Approval of Engagement Letter with L. Paul Goedecke P.C. for 2011 Audit Services - \$3,800

Upon a motion duly made by Director Brabec, seconded by Director Grant, and upon a vote, unanimously carried, the Board approved the 2011 Audit engagement letter with L. Paul Goedecke P.C. for \$3,800.

G. Approve 2012 Annual Administrative Matters Resolution

Withdrawn.

Attorney Items

Mr. Flynn indicated he would present the 2012 APM Landscape and Miscellaneous Maintenance Agreement at the December Board meeting.

Community
Comments

A resident expressed concern about erosion in the equestrian trail along High Spring Road, railing along High Spring, the culvert under the road along High Spring, the condition of certain shoulders and a patch in Tally Rand. Director Brabec asked that all of this be communicated to him in an email and he will get with APM or the appropriate contractor to address.

RECORD OF PROCEEDINGS

Another resident expressed concern about the condition of the entrance lights and whether they should be painted or replaced. Director Dassel indicated the Board is evaluating this issue.

Mr. Zimmerman noted there is a sprinkler head in the park that is not working. Director Brabec will review with APM.

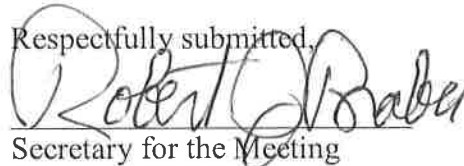
A resident noted that a sprinkler head on the median island next to the park goes off at 7:00 p.m. at night and covers cars that are driving by. Director Brabec will review with APM.

Adjournment

Upon a motion duly made by Director Brabec, seconded by Director Cobb, and upon a vote, unanimously carried, the Board adjourned the meeting at 7:15 p.m.

The foregoing minutes were approved by the Board of Directors on the 6 day of Dec, 2011.

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

Respectfully submitted,

Secretary for the Meeting