

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
CONSOLIDATED BMR METROPOLITAN DISTRICT
HELD OCTOBER 4, 2011

A regular meeting of the Board of Directors of the Consolidated BMR Metropolitan District was held on Tuesday, October 4, 2011 at 6:50 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

Also in attendance:

Tim Flynn, Esq.; Collins Cockrel and Cole
Bob Blodgett; Clifton Gunderson, LLP

Call to Order

Director Dassel called the meeting to order at 6:50 p.m. and verified a quorum.

Upon a motion duly made by Director Grant , seconded by Director Cobb, 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 nature and are incorporated into the record of this meeting. All

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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

Director Brabec recommended that an item be added to the Agenda to consider approval of a snow removal agreement with APM from Fall 2011 through Spring 2013. The Board concurred.

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

Manager's Report

A. Review and Consider Approval of Minutes for September 6, 2011 Regular Meeting

Following discussion, and upon a motion duly made by Director Brabec, seconded by Director Cobb and upon a vote, unanimously carried, the Board approved the September 6, 2011 Regular Meeting Minutes as submitted.

B. Review and Approve August 31, 2011 Financial Statements

Director Cobb reported he has reviewed the August 31st Financial Statements. There is nothing unusual. He recommends approval.

Following review and discussion, and upon a motion duly made by Director Brabec, seconded by Director Cobb and upon a vote, unanimously carried, the Board approved the August 31, 2011 Financial Statements.

C. Review and Accept Cash Position as of October 4, 2011

Director Cobb reported he has reviewed the October 4, 2011 Cash Position Report with the Board and recommends approval.

Upon a motion duly made by Director Cobb, seconded by Director Grant, and upon a vote, unanimously carried, the Board accepted the October 4, 2011 Cash Position Report.

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- D. Review and Consider Approval of Claims for September 2011
Totaling \$12,693.95 and Direct Pays to IREA Totaling \$99.55

Upon a motion duly made by Director Brabec, seconded by Director Cobb, and upon a vote, unanimously carried, the Board approved the September 2011 claims represented by checks number 2404 through 2409, totaling \$12,693.95 and Direct Pays to IREA totaling \$99.55.

- E. Periodic Inspection of Bell Mountain Parkway Bridges Over Plum Creek

The Board noted this inspection should also include the railroad bridge over Bell Mountain Parkway and the equestrian bridge over Plum Creek. Mr. Blodgett reported he has not yet found the contractor or engineer who conducted this inspection. The Board asked that Mr. Blodgett contact Douglas County engineering staff to see if they can conduct the inspection.

Actions were tabled until the November 1, 2011 meeting. The Board noted that the periodic inspections should occur every two years.

- F. 2012 Insurance Renewal

This item is tabled to November 1, 2011 meeting. Mr. Blodgett will coordinate with Director Fischer.

- G. APM Snow Removal Extension Agreement

Director Brabec reported that APM has agreed to provide snow removal at the same rates as in the past. Mr. Flynn reported this can be an extension to the existing agreement.

Upon a motion duly made by Director Brabec, seconded by Director Grant, and upon a vote, unanimously carried, the Board approved an extension to the present APM snow removal agreement through Spring 2013, subject to annual appropriation.

Director Action Discussion Items

- A. Status of Chip and Seal Contract Work

The Board reported this item can be removed from the agenda.

- B. 2012 Budget Status – Alan Cobb
1. Draft Budget Due October 15, 2011

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Director Cobb distributed copies of the proposed 2012 budget and reviewed it with the Board. He reported the budget has been prepared with no increase in the District's General Fund Mill Levy or Debt Service Mill Levy for 2012. In spite of an approximate 27% reduction in the District's assessed value, the budget is balanced with the lower revenues.

Director Cobb asked for input from the Directors and consultants prior to the November 1, 2011 Board meeting.

2. Call Public Hearing to Review and Approve 2012 Budget – November 1, 2011 Board Meeting

The Board called the public hearing for the November 1, 2011 Board meeting to review and approve the 2012 budget. Mr. Blodgett's office will advertise.

Attorney Items

A. Status of Recording of Improvement Plat Survey

Mr. Flynn distributed copies of a memorandum from Lee Hooper of Survey Systems indicating the plat was recorded on September 27, 2011 and providing its reception number.

Community Comments

Mr. Bulmer reported concern about fires burning on some properties within the District. The Board asked that he communicate his concerns to the Larkspur or Castle Rock Fire Department.

Mr. Zimmerman asked about the status of the Chip and Seal Project. Director Grant responded.

Mr. Bulmer expressed concern about the condition of the equestrian trails on the north side of Bell Mountain. The Board reported unsafe trails are being closed and signs are placed at the beginning of all trails stating that individuals are riding on the trails at their own risk.

Adjournment

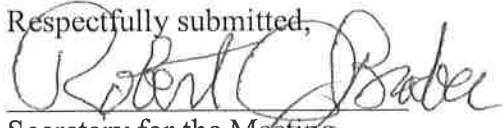
Upon a motion duly made by Director Brabec, seconded by Director Grant, and upon a vote, unanimously carried, the Board adjourned the meeting at 7:25 p.m.

The foregoing minutes were approved by the Board of Directors on the ____ day of _____, 2011.

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

Respectfully submitted,



A handwritten signature in cursive script that reads "Robert C. Baber". The signature is written in dark ink and is positioned above the printed name.

Secretary for the Meeting