

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE VALAGUA METROPOLITAN DISTRICT

Held: Wednesday, January 14, 2009 at 1:00 p.m., at 4000 Gypsum Creek Road, Gypsum, Colorado.

Attendance

The special meeting of the Board of Directors of the Valagua Metropolitan District was called and held as shown above and in accordance with the statutes of the State of Colorado. The following Directors, having confirmed their qualification to serve on the Board, were in attendance:

Russ E. Hatle
C. Michael Budd
Robert M. Savage

Absence Excused: None

Also present were Stewart Hobbs, Hobbs Excavating and Trucking; and Ian Hause, Clearwater Development, Inc.

Vernon L. Brock, Director; Eric Weaver, Robertson & Marchetti, P.C.; Joan Fritsche, Foster Graham Milstein Miller & Calisher; and Ken Ross, Vision Land Consultants, participated via teleconference.

Call to Order

Director Savage noted that a quorum of the Board was present, verified that notice of the meeting was posted in three locations within the District and that the Directors had confirmed their qualification to serve, and therefore called the meeting of the Board of Directors of the Valagua Metropolitan District to order.

Disclosure Matters

Ms. Fritsche advised the Board that pursuant to Colorado law, certain disclosures by the Board members may be required prior to taking official action at the meeting. The Board reviewed the agenda for the meeting, following which each Board member disclosed his conflicts of interest, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. The Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

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Director Savage reported that he is an owner of real property within the District and is an employee of Clearwater Development, Inc. Clearwater Development, Inc. is a property owner and developer within the District, which may have a right to reimbursement costs from the District. This disclosure is associated with approval of items on the agenda, which may affect his interests or those of his employer.

Director Hatle reported that he is an owner of real property within the District and that he has an ownership interest in Clearwater Development, Inc. Clearwater Development, Inc. is a property owner and developer within the District, which may have a right to reimbursement costs from the District. In addition, Director Hatle reported that he has investments in Imprimis LLC; Mt. 20 LLC; and Hares Ear LLC, property owners within the District. This disclosure is associated with approval of items on the agenda, which may affect his interests or those of Clearwater Development, Inc.

Director Budd reported that he is an owner of real property within the District and that he is engaged as a real estate broker with Prudential Colorado Properties to sell properties within the District. Clearwater Development, Inc. is a property owner and developer within the District, which may have a right to reimbursement costs from the District. This disclosure is associated with approval of items on the agenda, which may affect his interests or those of Clearwater Development, Inc.

Director Brock reported that he is an owner of real property within the District and is a consultant to Clearwater Development, Inc. Clearwater Development, Inc. is a property owner and developer within the District, which may have a right to reimbursement costs from the District. This disclosure is associated with approval of items on the agenda, which may affect his interests or those of Clearwater Development, Inc.

Written disclosures of these interests were filed with the Secretary of State and Board prior to the meeting.

Election 2009 Officers

Upon motion by Director Hatle and seconded by Director Budd, and unanimously carried, the Board elected the following officers for 2009:

President – Robert M. Savage
Secretary/Treasurer – C. Michael Budd
Assistant Secretary – Vernon L. Brock
Assistant Secretary – Russ E. Hatle

