

RECORD OF PROCEEDINGS

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

Held: Wednesday, April 8, 2009 at 10:00 a.m., at 4000 Gypsum Creek Road, Gypsum, Colorado.

Attendance

The regular 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:

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

Also present: Eric Weaver, Robertson & Marchetti, P.C. and Joan Fritsche, Foster Graham Milstein Calisher, LLP.

Vernon L. Brock, Director; and Ken Ross, Vision Land Consultants participated via teleconference.

* Mark Chapin, Eagle County Assessor, participated via teleconference where indicated.

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 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 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 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.

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. This disclosure is associated with approval of items on the agenda, which may affect his interests or those of Clearwater Development, Inc.

Director Hause reported that he is an owner of real property within the District and 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 the Board prior to the meeting.

Public Comment

There was no public comment.

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- Meeting Minutes The minutes of the special meetings of the Board of Directors held on March 12, 2009 and March 24, 2009 were read. Upon motion duly made by Director Hatle, seconded by Director Budd and unanimously carried, the minutes were approved by the Board of Directors as presented.
- Financial Report/Payables Mr. Weaver reviewed with the Board the District's financial reports dated March 31, 2009 and payment of claims dated April 8, 2009. Upon motion by Director Hause, seconded by Director Hatle and unanimously carried, the Board accepted the financial reports and approved and ratified the payment of claims as presented.
- Filing 5 The Board executed the Amended Resolution Authorizing and Accepting Facilities by Bill of Sale from Clearwater Development, Inc. in the amount of \$784,699.43 for the public water and sanitation improvements installed in Filing 5 (Wranglers' Crossing) and approved by the Board on January 14, 2009.
- Property Valuations * Mr. Chapin joined the Board meeting via teleconference to discuss the process of valuing real property for taxation in Eagle County under the state constitution and other statutory provisions and current issues associated with decreased property values that may not be reflected in 2008 tax bills.
- Adjournment There being no further business to come before the Board, and upon motion duly made by Director Hatle and seconded by Director Hause and unanimously carried, the meeting was adjourned.



Secretary for the Meeting