

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
BACA GRANDE WATER AND SANITATION DISTRICT
HELD
SEPTEMBER 24, 2010

A special meeting of the Board of Directors of the Baca Grande Water and Sanitation District (referred to hereafter as "Board") was held on Friday, the 24th day of September, 2010, at 8:30 a.m. at the offices of the District, BGWS&D Shop, 57 Baca Grant Way South, Crestone, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Christine Canaly, President
Martin Macaulay, Secretary/Treasurer - Via
speakerphone
Philip Madonna, Assistant Secretary

Following discussion, upon motion duly made by Director Madonna, seconded by Director Macaulay and, upon vote, unanimously carried, the absences of Vicki Matthews and Parvin J. Johnson were excused.

Also In Attendance Were:

AJ Beckman and Meric Lallier; Special District
Management Services, Inc. - Via speakerphone

Jennifer Gruber Tanaka, Esq.; White, Bear and Ankele
Professional Corporation - Via speakerphone

Josh Magden; George K. Baum & Company - Via
speakerphone

Blake Jordan, Esq.; Sherman & Howard, P.C. - Via
speakerphone

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Attorney Tanaka noted that conflicts were filed for applicable Directors at least 72 hours prior to the meeting. President Canaly noted

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that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No further conflicts were disclosed.

ADMINISTRATIVE MATTERS

Agenda: Mr. Beckman reviewed the proposed agenda for the District's Special Board meeting.

Following discussion, upon motion duly made by Director Madonna, seconded by Director Macaulay and, upon vote, unanimously carried, the Agenda was approved.

FINANCIAL MATTERS

Resolution Authorizing the Issuance of General Obligation Refunding and Improvement Bonds, Series 2010: The Board reviewed and discussed Resolution No. 2010-09-02 Authorizing the Issuance of General Obligation Refunding and Improvement Bonds, Series 2010, In the Maximum Principal Amount of \$5,700,000, and Authorizing the Execution and Delivery of all Documents, Agreements and Certificates in Connection Therewith.

Following discussion, upon motion duly made by Director Madonna, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved Resolution No. 2010-09-02 Authorizing the Issuance of General Obligation Refunding and Improvement Bonds, Series 2010, In the Maximum Principal Amount of \$5,700,000, and Authorizing the Execution and Delivery of all Documents, Agreements and Certificates in Connection Therewith.

ADJOURNMENT

Upon motion duly made by Director Macaulay, seconded by Director Madonna and, upon vote, unanimously carried, the meeting was adjourned.

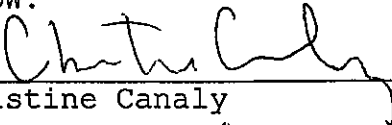
Respectfully submitted,

By 

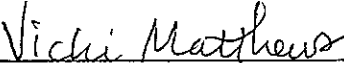
Secretary for the Meeting

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THESE MINUTES ARE APPROVED AS THE OFFICIAL
SEPTEMBER 24, 2010 MINUTES OF THE BACA GRANDE WATER AND
SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING
BELOW:



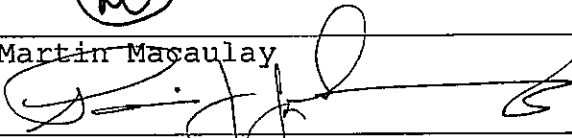
Christine Canaly



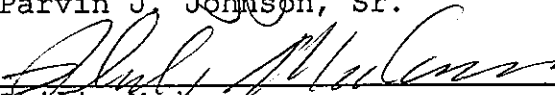
Vicki Matthews



Martin Macaulay



Parvin J. Johnson, Sr.



Philip Madonna