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RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
ARABIAN ACRES METROPOLITAN DISTRICT
HELD
JULY 30, 2014**

A special meeting of the Board of Directors of the Arabian Acres Metropolitan District (the "Board") was duly held on Wednesday, July 30, 2014, at 8:00 p.m., at the 414 Gerka Lane, Florissant, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Edith Coffman
Lanny E. Hoel
Robert "Elric" Winterer
Wade Holder

Also In Attendance Were:

Peter Italiano; Special District Management Services, Inc. (via speakerphone)

Joan Fritsche, Esq.; Collins, Cockrel & Cole, P.C. (via speakerphone)

David O'Leary; Spencer Fane Britt & Brown, LLP (via speakerphone)

Paul C. Rufien; Paul C. Rufien, P.C. (via speakerphone)

Sandy Zuniga; Resident

**DISCLOSURE OF
POTENTIAL
CONFLICTS OF
INTEREST**

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest to the Board of Directors and to the Secretary of State. Director Coffman noted 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, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that there were no conflicts.

**ADMINISTRATIVE
MATTERS**

Agenda: Director Coffman reviewed the proposed Agenda for the District's special Board Meeting.

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

LEGAL MATTERS

Ms. Zuniga left the meeting at this point.

EXECUTIVE SESSION: Pursuant to Section 24-6-402(4)(b) and (e) of the Colorado Revised Statutes, upon motion duly made by Director Winterer, seconded by Director Hoel and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 8:07 p.m. for the sole purpose of receiving legal advice concerning the District's financial situation and consultant contracts.

Furthermore, pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no minutes will be kept of the executive session that, in the opinion of the District's attorney, constitute privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 9:11 p.m.

Ms. Zuniga returns to meeting.

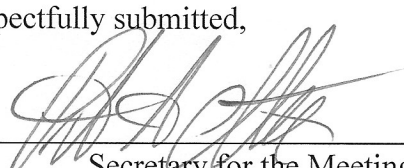
Following discussion, upon motion duly made by Director Winterer, seconded by Director Hoel and, upon vote, unanimously carried, the Board approved the engagement of David O'Leary as Special Counsel to the District for legal advice on Consultant contracts.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Winterer, seconded by Director Coffman and, upon vote, unanimously carried, the meeting was adjourned.

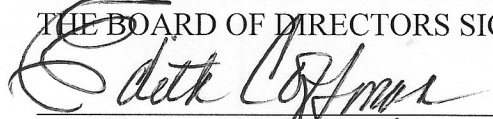
Respectfully submitted,

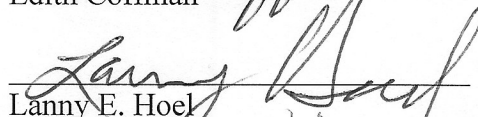
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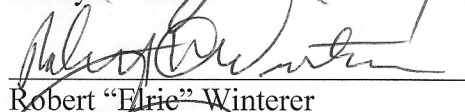

Secretary for the Meeting

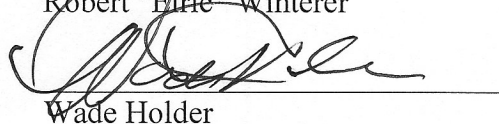
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THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 30, 2014 MINUTES OF THE ARABIAN ACRES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Edith Coffman


Lanny E. Hoel


Robert "Erie" Winterer


Wade Holder

Attorney Statement REGARDING PRIVILEGED ATTORNEY-CLIENT COMMUNICATION

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Arabian Acres Metropolitan District, I attended the executive session meeting of the Arabian Acres Metropolitan District convened at 8:07 p.m. on July 30, 2014 for the sole purpose of receiving legal advice concerning the District's financial situation and consultant contracts. I further attest it is my opinion that all of the executive session discussion constituted a privileged attorney-client communication as provided by Section 24-6-402(4)(b), C.R.S. and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S.

Signed


Joan Fritsche, Attorney for the District

Dated:

8/20/14