

**South T-Bar Ranch Property Owners Association
October 20, 2007
Special Meeting of the Members**

For brevity, South T-Bar Ranch is denoted by "STB" and Property Owners Association is denoted by "POA" throughout the minutes.

REGISTRATION

POA members were directed to sign in and ballots were issued to one person per STB parcel. Handouts were available that included (1) the meeting agenda, (2) a copy of the ballot question, (3) a letter from the Board soliciting volunteers, (4) a question and answer handout titled "*Information for the Special South T-Bar POA Meeting, October 20, 2007*", (5) a Timeline, and (6) an annotated copy of the Owner Meeting Conduct Policy.

PRESENTATION AND QUESTION & ANSWER SESSION

Prior to the meeting, the POA's attorneys (Chip Delap, John Heronimus, and Dave Closson from the law firm of Dufford & Brown) reviewed the history of the situation with the POA and its mineral rights. This was followed by a question and answer session.

SPECIAL MEETING

The Special Meeting of the Members of the South T-Bar Ranch POA was called to order by President Jim Greenwood at 10:34 AM on Saturday, October 20, 2007, in the commons area of the Discovery Canyon High School, 1810 Northgate Blvd., Colorado Springs, Colorado.

Secretary Ann Eulert reported that 84 parcels were represented for voting either in person or by proxy (list attached). Jim Greenwood declared that a quorum was present.

Jim Greenwood opened the floor to comments from the Board. No board members wished to make comments.

Jim Greenwood opened the floor to comments from the POA's attorneys.

Attorney John Heronimus reminded everyone that it was critical to keep the topics of our discussion confidential. Discussing this with non-POA members has legal implications on several different levels, and the information we are discussing here today must not become "general knowledge".

Brenda Coon's objection to the current situation with parcel 103 was noted. At the request of the owners of parcel 103, no ballot has been issued for that parcel.

Jim Greenwood reviewed the rules of conduct for this meeting.

As a Question of Privilege, Rick Averna asked who would be allowed to speak at this meeting. Jim Greenwood stated that STB Owners, their designated representatives, board members, and the POA's attorneys would be allowed to speak. Rick Averna's objection to this policy was noted.

Jim Greenwood reminded everyone that we are here for one purpose – to consider the ballot question. You can vote FOR or AGAINST the ballot question or ABSTAIN from voting, but there will be no opportunity to amend the ballot question.

President Greenwood then reviewed the ballot question and its three parts:

- Form the LLC
- Transfer a 100% interest in the mineral rights to the LLC in exchange for a 100% interest in the management of the LLC, and
- STB POA members are invited, but not required, to become members of the LLC at a cost of \$1,000 per membership.

Regarding the cost of the membership:

- The LLC needs operating capital.
- You must give something up to get in.
- You may either pay for the membership all at once, or make a \$250 down payment and the LLC would accept a promissory note for the balance. Payments on the promissory note would be approximately \$25 per month.

Attorney Chip Delap reminded everyone that only people who are POA members have ballots. He also addressed why it was important for the LLC to be voted on at this meeting:

- The attorneys need to know what their clients want them to do.
- The uranium market is cyclical, and we don't have an infinite amount of time to get this done.
- If we need to have a second Special Meeting, it would be at least 30 to 60 days from now.
- We need to act while the market is showing interest in the Hansen ore body.

Jim Greenwood reviewed the Timeline that was included in the meeting handouts. He pointed out that there is still a lot of work to be done, and much of this work cannot be done until the LLC has been formed. The mining industry likes certainty, and the more certainty we have, the stronger our position will be in negotiations.

Jim Greenwood opened the floor to comments from the members. Discussion followed.

Objections were noted from Paul Anderson, attorney and designated representative for the Sapps, regarding the situation regarding the Sapp's parcel.

In response to a question from Ralph Lavedure, it was noted that in order to qualify as a "secret ballot", there must be no identifying information on the ballot.

Julia Hawley asked if an owner would be able to decline to join the LLC initially and then join at a later date. If an owner initially declines to join the LLC, there is the possibility that the buy-in price could go up or the opportunity to join later might be unavailable.

Jim Greenwood reminded everyone that the objective of today's meeting is to agree on whether the LLC is the proper form in which to go forward and that all the details for the setup of the LLC have not been worked out yet.

In response to questions from Steve Perez and Mark Osgood, Sam Knopp confirmed that a committee will be established to review the LLC operating agreement before it is finalized. There is no guarantee that all concerns will be satisfied. Anyone who wants to serve on this committee should submit your name to Sam Knopp. Steve Perez stated that he thinks he should have the "right" to be on this committee. This committee is expected to have substantive input into the formation of the LLC.

In response to a question from Lucy Thurston regarding the costs that have been incurred so far, the POA's intent is for the portion of the expenses that are related to the mineral rights to be transferred to the LLC. To date, \$47,744 has been expended from the Line of Credit and \$48,034 has been expended from the POA's reserves.

Rick Avena made comments to the effect that (1) he thinks the LLC is the right vehicle for moving ahead, (2) a good case has been made as to why we are moving forward at this time, (3) there is a perception that something "sneaky" is going on here, (4) he is not comfortable with not being in charge, (5) he wants to make sure we get it right so we don't lose control of the LLC, and (6) he wants a commitment from the board that we are going to work with him.

Jim Greenwood expressed his frustration that he must divide a limited amount of time between communicating with the POA, doing other things related to POA business, and making a living. The board will do its best to communicate with the owners. Please let the board know if you think it's not communicating, and be patient if the board needs to spend time working on something else.

Attorney Chip Delap reminded everyone that the board must be careful not to violate attorney-client privilege. There have been several cases where the attorneys have identified an issue and advised the board that this issue cannot be discussed with others until after it has been resolved. Chip also reminded everyone that the board may advise him not to reply to e-mails from owners if the budget is a concern.

Attorney John Heronimus stated that this policy [instructing board members not to discuss certain items with non-board members] is to protect the interests of everyone in the POA. If there are legal ramifications to discussing an issue, he has an obligation to advise the board not to discuss it with others. The board has repeatedly been advised not to discuss certain issues to protect the interests of everyone in the POA. At this time, the board is very limited on what it can say in regards to financial issues.

In response to a question from Rick Averna, attorney John Heronimus stated that either the POA or the LLC can be sued by anyone at any time. However, if we set up the LLC correctly, the liability of members would be limited to their initial \$1,000 investment.

In response to a question from Gary Hawley, Jim Greenwood stated that the POA's Line of Credit is secured against the POA's ability to make assessments. In response to a question from Tim Anderson, various options for paying off the Line of Credit are as follows: The Line of Credit may be paid back when a deal is cut with a mining company, it could be converted to a loan with payout terms, or it may be paid off with a Special Assessment. Once the LLC is formed, the LLC may be able to secure its own Line of Credit and use it to pay off the POA's Line of Credit. However, some of the expenses incurred to date have not been related to the mineral rights and should be paid by the POA.

In response to a question from Brenda Coon, it was stated that, if the POA votes to form the LLC, the attorneys will put together a packet with the details of the requirements to become a member of the LLC. This will probably be available around the first of the year.

In response to a question from Brenda Coon, attorney Chip Delap noted that the board is not able to determine at this time how the economic membership for parcel 103 will be allocated. Brenda Coon stated her belief that the situation with parcel 103 is "not fair". Brenda was reminded that her concerns have been duly noted.

Jim Greenwood noted that the POA owns the mineral rights collectively. That ownership will enable the LLC to negotiate more effectively to protect parcels, even in areas where the US Government owns the mineral rights. The purpose of the NOITLs that have been received to date are to allow the mining companies

to “tie up” the mineral rights on land surrounding the Hansen and Picnic Tree ore bodies. The best option for the POA is to work out a deal where the mining company does not tear up the land.

There is information on the STB web site about how to stake a claim on your own property. Curtis Eulert will post a link to this information in the forums.

In response to a question by Linda Holmes, Jim Greenwood stated that it is not clear if the membership fee will be sufficient to cover the operating expenses for the LLC, because all the issues are not known yet.

In response to a question by Linda Holmes, Jim Greenwood stated that the objections that have been raised at the meeting (regarding the status of parcel 103), will be an issue for the voting only if there is a tie.

In response to a question from Jeff Hamilton, Jim Greenwood stated that the ballots would be counted by volunteers.

At this time, the discussion was concluded. Jim Greenwood reviewed the options for voting (FOR, AGAINST, or ABSTAIN) and called for volunteers to count the ballots. Ballot counters will be Joe Price, Tim Anderson, and Wanda Osgood. The meeting was recessed for voting.

Brenda Coon requested that a ballot be issued for parcel 103, and this brought the number of parcels represented for voting to 85.

When the ballot counters reported that the count had been completed, the meeting reconvened and the results of the voting were announced as follows:

FOR – 80
AGAINST – 2
ABSTAIN – 3

Jim Greenwood announced that, after the meeting, the attorneys would provide more information about the next steps in setting up the LLC.

Ralph Lavedure moved to adjourn. Rick Avena seconded. All were in favor and the meeting was adjourned at 11:53 AM.

The board would like to thank the following volunteers for their help before, during, and after the meeting:

Meeting Location: Joe & Genevieve Price

Registration: Butch & Lucy Thurston, Mark Trotta

Refreshments: Dean & Betty Sue Cornella

Ballot Counters: Joe Price, Wanda Osgood, Tim Anderson

South T-Bar Ranch POA Board of Directors

Jim Greenwood, President

Sam Knopp, Vice President

Betty Sue Cornella, Treasurer

Ann Eulert, Secretary

Dean Cornella

Jack Davis

Gary Lack

Joe Price

Mark Trotta

These minutes were prepared by Ann Eulert, Secretary, and were submitted to the POA membership for approval on June 28, 2008.

Attendee List

Parcels represented in person (64):

Parcel No	Name(s)	Parcel No	Name(s)
93	Anderson, Tim	71	Knopp, Sam
92	Averna, Richard	77	Lack, Gary & Roleen
14	Bebee, Roy & Barbara	94 & 95	Lavedure, Ralph (& Marie Schwappach)
10	Cochran, Will & Laura	66	Little, Rick & Becky
78	Coffee, James & Starr	85	Sunchaser Equestrian/McGill, Kathi
104*	Coon, Steven & Brenda	4 & 5	Moody, Becky
9 & 35	Cornella, Dean & Betty	87	Mudd, Diane
36	Davis, Jack & Jeri	8	Osgood, Mark & Wanda
79	Delaney, John & Kreiner, Marie	97	Perelman, Dennis & Marcette
83	Ducy, George & Jan	91	Perez, Stephen & Pamela
96	Eulert, Curtis & Ann	73	Plummer, Everett
62	Fatt, Danu	17, 18, 22, 25, 26, 56, 60, 67, 99 & 112	Pool, Thomas
69	Galarowicz, Don		
64	Golin, Karen		
19	Greenwood, Jim	41	Renck, Barbara & Roger
110	Groome, Frank & Virginia	24	Revack, Tony & Susan
51	Gutierrez, Sergio & Lisa	43	Rico, Ron & Patricia
45, 55, & 57	Hallstein, Walt	103-1, 103- 2**	Paul Anderson, Designated Representative
68	Hamilton, Jeff & Beverly	31	Sorley, Tamara
47	Hartman, Terry	70	Spencer, Ralph & Anelladee
98	Hawley, Julia & Gary	50, 63	Stark, Nathan & Christie
48 & 58	Heins, Jeff	88	Thielen, Alan & Susie
34	Holmes, Ken & Linda	20	Manitou Assoc/Thurston, Butch & Lucy
7	Johnson, Darrell	72	Tunner, Jan
106	King, Carol & Fisher, Gary	37	Wolfe, Michael & Kimberly

* 104 & the part of 103 formerly known as 3 & 4 in Smith Valley Ranch Estates

** 1 & 2 in Smith Valley Ranch Estates

Parcels represented by proxy (22):

Parcel No	Name(s)	Parcel No	Name(s)
111	Andrews, Bruce & Linda	28	Parkey, Jeff & Martha
52	Benassi, Carla Ann	30	Rudy, Natalie
12	Carpenter, Gordon & Ray, Sherry	46	Snellman, Erick and Mary Jo
23	Cressman, Mike and Janice	102	Snow, Danny
13	Fish, Eugene & Lynn	65	Sobczak, Mark & Tracy
54	Good, Scott & Jennifer	81 & 101	Suarez, Rene & Beck, Betsy
105	Grabowski, Joseph & Mary	82	Stassart, Philippe & Susan
16	Western Workshop/ Handley, Gregg	21	Walburn, Brenda & Dennis
32	Hering, Mark & Shelley	100	Wallace, Brian & Kim, Chi Suk
53	Julian, Brad & Ann	11	Wendt, William & Barbara
33	Newham, Jason, Todd, Ronnie & Sidney		

Other Attendees:

Board Member	Price, Joe	Attorney	Closson, David
Board Member	Trotta, Mark	Attorney	Delap, Chip
		Attorney	Heronimus, John