
RECORD OF PROCEEDINGS

Minutes of the Continued Joint Special Meeting Of the Boards of Directors

Buckhorn Valley Metropolitan District Nos. 1 and 2 September 8, 2008

A Continued Joint Special Meeting of the Boards of Directors of the Buckhorn Valley Metropolitan Districts Nos. 1 and 2, was held on September 8, 2008, at 8:00 a.m., at 0044 Indian Heights, Gypsum, Colorado, Eagle County, Colorado.

Attendance The following Directors were present and acting for each District:

- Herb Eaton

Also in attendance was:

- Samantha Gale, Buckhorn Valley Development
- Jeffrey Brode, Buckhorn Valley Development
- John Hill, Buckhorn Valley Development
- Eric Weaver, Robertson & Marchetti

Call To Order The Continued Joint Special Meeting of the Boards of Directors of Buckhorn Valley Metropolitan District Nos. 1 and 2 was called to order by Director Herb Eaton, on September 8, 2008 at 8:00 a.m.. Director Eaton noted his presence being a quorum due to the recent resignation by Directors David Garton, Jr., Sande Garton, Samantha Gale, and Robert Kingston. The resignations took place due to the pending sale of the project. The Boards noted that the Districts are meeting in a combined board meeting of the two Districts. Unless otherwise noted, the matters set forth shall be deemed to be the action of Buckhorn Valley Metropolitan District No. 1 with concurrence by Buckhorn Valley Metropolitan District No. 2. Each board member affirmed being qualified to serve on the Boards.

**Disclosure of Potential
Conflicts of
Interest**

The Boards noted that they have received certain written disclosures of potential conflict of interest statements from each of the Directors more than seventy-two hours prior to the meeting, indicating the following conflicts: Director Eaton and Samantha Gale have a direct financial interest in Roark Partners, LLLP as employee of the Developer. The Boards noted, for the record, that this disclosure is restated at this time with the intent of fully complying with laws pertaining to potential conflicts.

Minutes The Board reviewed minutes from the Special Meeting of December 5, 2007, the Continued Special Meeting of December 28, 2007, the Special

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Meeting of February 6, 2008 and the Continued Special Meeting of February 8, 2008. On motion duly made and seconded it was unanimously

RESOLVED to approve the minutes of the Special Meeting of December 5, 2007, the Continued Special Meeting of December 28, 2007, the Special Meeting of February 6, 2008 and the Continued Special Meeting of February 8, 2008 as presented.

Consideration of Agenda

The Boards considered the agenda and added the following item to the agenda:

8c. Discussion of District Operations payroll

Election Resolution The Boards noted the results of the May 2008 election and reviewed the election resolution which shows the following candidates elected by acclamation:

Sande Garton	4 year term
David Garton Jr.	4 year term
Herbert Eaton	4 year term
Robert Kingston	2 year term

On motion duly made and seconded it was unanimously

RESOLVED to ratify the election resolution of the May 2008 Board of Directors election for the office terms shown above.

Closing Documents The following items were approved at the August 26, 2008 meeting and therefore were not discussed:

- Approval of Transfer, Conveyance, and Assignment Agreement
- Cancellation of old Roark Partners, LLLP Note
- Approval of new Roark Partners, LLLP Note
- Approval of new Buckhorn Valley Development, LLC Notes

Financial Statements

Mr. Weaver reviewed the financial statements for the period ending June 30, 2008 noting the major difference from the budgeted amount is due to the earlier issuance of the \$8.5 million cash flow bonds in District No. 2. The bond funds were transferred to No. 1 to pay down the developer note.

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In addition, the Phase 5 infrastructure will not be accepted by the District this year as had been budgeted. On motion duly made and seconded it was unanimously

RESOLVED to approve the June 30, 2008 financial reports for Buckhorn Valley Metropolitan Districts No. 1 and No. 2 as presented.

2007 Audits

Mr. Weaver reviewed the 2007 audit reports for Districts No. 1 & No. 2 with the Boards noting the auditors had once again given an unqualified or "clean" opinion. On motion duly made and seconded it was unanimously

RESOLVED to ratify the acceptance of the 2007 audit reports for Buckhorn Valley Metropolitan Districts No. 1 & No. 2.

Accounts Payable

The Boards reviewed the accounts payable listing for the period of November 15, 2007 to August 14, 2008. On motion duly made and seconded it was unanimously

RESOLVED to ratify the accounts payables for Buckhorn Valley Metro Districts No. 1 & No. 2 as presented.

Calendar

The Boards reviewed the future meeting dates and made no changes. The next regular meeting will be held on November 11, 2008.

Board Appointments

Consideration of appointments to Board vacancies for District No. 1 and District No. 2 were discussed. Mr. Weaver stated that no members of the public expressed interest in the positions following a notice which was published in the Eagle Valley Enterprise. Therefore the Developer has qualified individuals to fill the positions. On motion duly made and seconded it was unanimously

RESOLVED to appoint the following people to fill vacancies on the Buckhorn Valley Metropolitan District No. 1 & No. 2 boards that were created by recent resignations:

- Samantha Gale
- David Garton Jr.
- John V. Hill
- Jeffrey Brode

Directors Gale, Hill and Brode were administered the Oaths of Office. Director Garton will take his Oath of Office within 30

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days of his appointment. Because only Director Gale had filed conflicts, Directors Hill and Brode will abstain from voting at matters during this meeting.

Election of Officers

The Boards considered election of officers and on motion duly made and seconded it was unanimously

RESOLVED to elect officers as follows:

- John Hill – President
- Samantha Gale – Secretary Treasurer
- Jeffrey Brode – Vice President/ Assistant Secretary
- Dave Garton, Jr. – Vice President/ Assistant Secretary Herb Eaton – Vice President/ Assistant Secretary

District Employees

Director Hill made the recommendation that the operations employees currently employed by the developer be moved into the District since the majority of their time is spent on Metro District items. Employees will track their time to allow the District to bill the developer and the HOA for the portion of the time spent on developer and HOA work. Mr. Weaver and Director Hill will work together on the specifics of this transition. Mr. Weaver pointed out that if the decision is made to bring the operations employees onto District payroll, Director Eaton will have to resign from his position on the Board since he can not be an employee of the District and serve on the Board.

Adjournment

With business concluded, and on motion duly made and seconded it was unanimously

RESOLVED to adjourn the Continued Joint Special meeting of Buckhorn Valley Metropolitan District Nos. 1 and 2 Board of Directors held this 8th day of September, 2008.

Respectfully submitted,



Eric Weaver
Secretary for the Meeting