

RECORD OF PROCEEDINGS

AMENDED MINUTES OF THE CONSOLIDATED SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE BUCKHORN VALLEY METROPOLITAN DISTRICTS NOS. 1 & 2

Held: Tuesday, January 13, 2009 at 9:30 A.M., at 0044 Indian Heights Way, Gypsum, Colorado 81637.

Attendance:

The consolidated special meeting of the Board of Directors of the Buckhorn Valley Metropolitan Districts Nos. 1 & 2 was called and held as shown in accordance with the statutes of the state of Colorado.

The following Directors were present:

John V. Hill
Jeffrey Brode
Dave Garton

Gayl Hill was absent (*absence excused*)

Also present were: Samantha Gale and Tamara Gilida, Icenogle, Norton, Smith, Gilida & Pogue (Ms. Gilida participated via telephone conference line).

Call to Order/ Declaration of Quorum:

Mr. Hill called to order the consolidated special meeting of the Board of Directors of the Buckhorn Valley Metropolitan Districts Nos. 1 & 2 at which time the Secretary of the Board attested that the Notice of this meeting was properly posted within the Districts. Mr. Hill noted that a quorum of each of the Boards were present.

Disclosure Matters:

Ms. Gilida advised the Board that, pursuant to Colorado law, certain disclosures would be required prior to taking official action at the meeting. The Board reviewed the agenda for the meeting, following which each Board member confirmed the contents of written disclosures previously made, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting.

Director John Hill disclosed that he is a member of LLC which owns approximately 160+/- AC in District No. 2 and all of District No. 1. He further disclosed that his financial interest in matters pertaining to the Districts is greater than \$100,000. This disclosure is associated with approval of items on the agenda that

may affect his interests.

Director Jeffrey Brode disclosed that he is a member of LLC which owns approximately 160+/- AC in District No. 2 and all of District No. 1. He further disclosed that his financial interest in matters pertaining to the Districts is greater than \$100,000. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director Dave Garton, Jr. disclosed that he is a member of the Board of Directors of both districts. This disclosure is associated with approval of items on the agenda that may affect his interests.

Written disclosures of these interests were filed with the Secretary of State prior to the meeting.

Discussion of Minutes of December 15, 2008: of Upon motion and second, the Board voted unanimously to approve the minutes of December 15, 2008.

Consideration of Management Contract: The Boards discussed shifting management of the Districts to a management entity with the capability to efficiently managing the Districts' operations. After discussion, and upon motion and second, the Board voted unanimously to approve a contract for management services by and between the Buckhorn Valley Metropolitan Districts Nos. 1 & 2 and Buckhorn Valley Development, LLC, effective immediately.

Termination of Employment of Herb Eaton: In light of the Boards' decision to manage the affairs of the districts through a management contract with Buckhorn Valley Development, LLC, the Districts recognized that they no longer required the services of their sole employee, Herb Eaton. Upon motion and second, the Boards voted unanimously to terminate Herb Eaton's employment with the District, also effective immediately. The Boards elected to thank Mr. Eaton for his service, and approved paying him, at his then-current rate through the present pay period, plus an additional two weeks of severance pay; to be paid upon the regular pay-day schedule.

Appointment of Director: Ms. Gilida noted for the board that the vacancy on both Boards had been duly published as required by law with no response. Upon motion and second, the Boards voted unanimously to appoint Samantha Gale to fill Mr. Eaton's unexpired terms as director for Buckhorn Valley Metropolitan Districts Nos. 1 and 2.

Adjournment:

There being no further business to come before the Board, upon motion and second, the Board voted unanimously to adjourn the meeting.


