

# RECORD OF PROCEEDINGS

---

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

Held: Tuesday, January 26, 2009 at 9:00 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  
Samantha Gale  
Gayl Hill

Director Brode was absent (*absence was excused*).  
Director Garton was absent (*absence was excused*).

Also present was: Tamara Gilida, Icenogle, Norton, Smith, Gilida & Pogue (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 Board 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 Samantha Gale disclosed that she has a contract for purchase within the Districts and that she is an employee of the developer, for which she is paid a salary of approximately \$70,000. 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.

Executive Session Pursuant to §24-6-402(4)(f) C.R.S:

Ms. Gilida recommend for the record that the Board retire into executive session pursuant to the provisions of C.R.S., Section 24-6-402(4)(b) in order to receive legal advise from Ms. Gilida regarding the status of the Boards' membership given the notice received from Buckhorn Valley Development dated January 16, 2009. Upon motion of Director Gale and second of Director Gayl Hill, the Board voted unanimously to retire into executive session for this purpose at 9:40 a.m.

The Boards came out of executive session at 10:00 a.m.

Letter to former Director Jeffrey Brode:

Upon motion and second, the Board directed General Counsel to issue a letter to former Director Jeffrey Brode, letting him know that the Boards understand he is no longer qualified to serve as a Director, thanking him for his service to the board and wishing him well on his future endeavors.

Ratification of Publication of Notices of Vacancies:

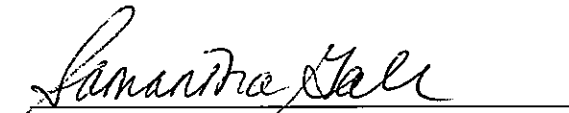
Upon motion and second, the Board ratified the action of the President on Wednesday, January 21, 2009, in which the President of the Boards caused to be published, a Notice of Vacancy for both Districts as required by law on January 29, 2009, which Notices would advertise a vacancy on the District No. 1 and No. 2 Boards.

Approval of Advance and Reimbursement and Facilities Acquisition Agreement, and Outstanding Advance and Reimbursement Agreement Obligation Form No. 1:

Following discussion and upon motion made by Director Gayl Hill and seconded by Director Gale, the Boards approved the Advance and Reimbursement Agreement and Facilities Acquisition Agreement together with an Outstanding Advance and Reimbursement Agreement Obligation Form No. 1, dated January 26, 2009 in the amount of \$55,130.59 and for reimbursement of prior advances to the Districts by Buckhorn Valley Development LLC, in the amount of \$37,418,47, for a total due to Buckhorn Valley Development, LLC of \$92,522.06.

Adjournment:

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

  
Secretary for the Meeting