

RECORD OF PROCEEDINGS

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

Held: Tuesday, March 17, 2009 at 4:00 P.M., at 0044 Indian Heights Way, Gypsum, Colorado 81637.

Attendance:

The consolidated regular meeting of the Board of Directors of 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
David Garton, Jr.

Also present was: Stephen Kelley and Tamara Gilida, Icenogle, Norton, Smith, Gilida & Pogue, P.C. (via telephone conference line).

Call to Order/ Declaration of Quorum:

Director J. Hill called to order the consolidated regular meeting of the Board of Directors of the Buckhorn Valley Metropolitan Districts Nos. 1 & 2 at 4:06 P.M. at which time the Secretary of the Board attested that the Notice of this meeting was properly posted within the Districts. Director J. 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 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.

Director Gayl Hill disclosed that her husband is a member of LLC which owns approximately 160+/- AC in District No. 2 and all of District No. 1 and 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 David 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.

Approval of Minutes from February 10, 2009 Board Meeting:

Director J. Hill reviewed the minutes of the February 10, 2009 meetings of the Boards of Directors with the Boards. Following the motion of Director Gale and second of Director G. Hill, the Boards voted unanimously to approve the minutes of their combined meetings on February 10, 2009.

Ratification of February 25, 2009 Engagement Letter with Buchanan & Sperling, P.C.:

Ms. Gilida presented the Boards with Buchanan & Sperling, P.C.'s engagement letter. After discussion and upon review of the letter, and upon motion of Director Garton and a second of Director G. Hill, the Boards unanimously voted to ratify the February 25, 2009 engagement letter with Buchanan & Sperling, P.C.

Consideration and Approval of Identity Theft Resolution:

Ms. Gilida presented the Boards with resolutions adopting and approving an identity theft prevention policy and identity theft prevention program procedures. Director Garton moved both resolutions be approved, which motion was seconded by Director Gale. The Boards voted unanimously to approve the resolutions.

Approve \$9 Million Promissory Note with Buckhorn Valley Development, LLC:

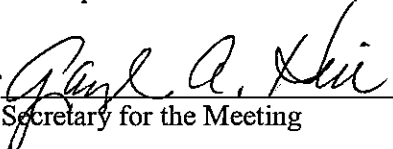
Ms. Gilida presented the Boards with a revenue and limited tax obligation subordinate promissory note not to exceed nine million dollars. After discussion and upon review of the note, and upon motion of Director Garton and a second of Director Gale, the Boards unanimously voted to approve the nine million

dollar promissory note with Buckhorn Valley Development, LLC.

Discussion of 2009 Bond Issue: Director J. Hill reported on the status of the proposed 2009 bond issue.

Discussion of Community Center/Day Care Center Design-Build Contract: Director J. Hill reported that the Districts received four proposals with qualifications for the design-build contract from R.A. Nelson, Inc., Brock Consulting, LLC, TCD Construction, and Spur Companies. Director J. Hill noted that R.A. Nelson met the requirements of previous work in Eagle County and recommended to proceed with a letter of intent, subject to approval of general counsel. Director Garton moved to proceed with a letter of intent to R.A. Neslon, which motion was seconded by Director Gale. The Boards voted unanimously to approve the letter of intent.

Adjournment: There being no further business to come before the Board, upon motion of Director Garton and second of Mr. Kelley, the Board voted unanimously to adjourn the meeting.


Secretary for the Meeting