

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, June 16, 2009 at 8:00 A.M., at 0044 Indian Heights Way, Gypsum, Colorado 81637.

Attendance:

The consolidated special 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:

Samantha Gale
Gayl Hill
Stephen Kelley

David Garton, Jr. was absent (*absence excused*)

Also present was: John Hill, Buckhorn Valley Development, LLC; Tamara Gilida, Icenogle, Norton, Smith, Gilida & Pogue, P.C. (via telephone conference line).

Call to Order/ Declaration of Quorum:

Director Gale called to order the consolidated special meeting of the Board of Directors of the Buckhorn Valley Metropolitan Districts Nos. 1 & 2 at 8:13 a.m. at which time the Secretary of the Board attested that the Notice of this meeting was properly posted within the Districts. Director Gale 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 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 Stephen Kelley disclosed that he has an option contract to purchase certain real taxable property within the boundaries of the Districts. He also disclosed that he is the sole proprietor of Kelley Mountain Development, LLC which contracts with Buckhorn Valley Development, LLC to perform engineering services related to the Districts, for which he receives an approximate annual amount of \$75,000.00. 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 May 19, 2009 Minutes:

Director Gale reviewed the minutes of the May 19, 2009 meetings of the Boards of Directors with the Boards. Upon motion of Director Kelley and second of Director Hill, the Boards voted unanimously to approve the minutes of their combined meetings on May 19, 2009.

Approval of Amended January 13, 2009 Minutes:

Director Gale reviewed the amended minutes of the January 13, 2009 meeting of the Boards of Directors with the Boards. After discussion, approval of the January 13, 2009 minutes was tabled until further review by the Boards and Ms. Gilida.

Approval of First Amendment to Management Services Agreement:

Ms. Gilida presented for the Boards' consideration the First Amendment to the Management Services Agreement. After discussion and review, and upon motion of Director Kelley and second of Director Hill, the Boards unanimously approved the First Amendment to the Management Services Agreement

Discussion of Operations Cost Assessment:

The Boards discussed in detail with Ms. Gilida having the Districts implement an operations cost assessment in order to cover annual costs of operating and maintaining the raw water irrigation system. After discussion, Ms. Gilida requested tabling a decision until further review can be completed.

Other Business:

Discussion of Holy Cross Energy "Will Serve"

Director Gale presented to the Boards a request from Holy Cross Energy to have the Districts provide them with a "will serve"

Letter:

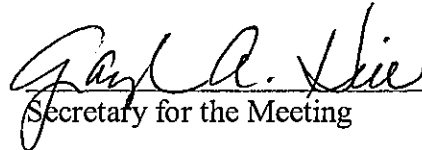
letter to use to gain approval for construction of their office building on the west side of Buckhorn Valley Boulevard. After discussion and upon review of the letter, Ms. Gilida requested a continuation of the discussion at the next Board meetings in order to review Mr. Garton's historical documentation.

Buckhorn Valley
Development, LLC
Manager's Reports

Buckhorn Valley Development, LLC presented to the Boards its manager's reports for January, February, March, April and May 2009.

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