

# 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, September 15, 2009 at 9:00 A.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:

Samantha Gale  
Gayl Hill  
Stephen Kelley (via telephone conference line)  
David Garton, Jr.

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

### Call to Order/ Declaration of Quorum:

At 9:03 a.m. Director Gale called to order the consolidated  
regular meeting of the Board of Directors of the Buckhorn  
Valley Metropolitan Districts Nos. 1 & 2 at which time the  
Secretary of the Boards 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 Boards that, pursuant to Colorado law,  
certain disclosures would be required prior to taking official  
action at the meeting. The Boards reviewed the agenda for the  
meeting, following which each Boards 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.

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 August 18, 2009 Minutes: Director Gale reviewed with the Boards the minutes of the August 18, 2009 consolidated regular Board meeting. Upon motion of Director Hill and second of Director Kelley, the Boards voted unanimously to approve the minutes of their combined meeting on August 18, 2009.

Discussion of Draft 2008 Audit: Mr. Hill reviewed with the Boards the draft Independent Auditor's Report for the year ended December 31, 2008, prepared by Monahan, Lampman & Hays, P.C., prepared with financial input from the Districts' accountant, Eric Weaver of Robertson & Marchetti, P.C. Following discussion, and noting the late receipt of the audit, the Boards directed Mr. Hill to meet with Mr. Weaver forthwith to review the financial information provided and enable finalization of the draft audit.

Buckhorn Valley Boulevard Project Contract: Mr. Hill reported to the Boards that Scott Green Excavating, Inc. was the lowest bidder on the Buckhorn Valley Boulevard Project Contract and that Mr. Hill anticipated coming back to the Boards shortly with a final contract for approval, together with a notice to proceed.

2009 Bonds: Ms. Gilida presented the Boards with a resolution approving

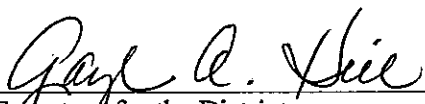
reimbursement to Buckhorn Valley Development, LLC ("BVD, LLC") for sums yet-to-be advanced by BVD, LLC in advance of the 2009 bond issue to acquit the public improvements represented by the Buckhorn Valley Boulevard Project Contract in a timely fashion, noting repayment of any sums advanced was expected to be made directly to BVD, LLC's lender, Texas Capital Bank, upon issuance of the 2009 Bonds. Director Kelley moved, and Director Garton seconded, approval of the resolution, following which the Boards voted its approval unanimously.

Buckhorn  
Development,  
Manager's Report:

Valley LLC Mr. Hill provided the Boards with his Manager's Report detailing activity within the Districts since the August consolidated Board meeting.

Adjournment:

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

  
Secretary for the Districts