

RECORD OF PROCEEDINGS

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

Held: Monday, September 28, 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 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
David Garton, Jr.

Stephen Kelley was absent (*absence excused*)

Also present was: John Hill, Buckhorn Valley Development, LLC, District Management

**Call to Order/ Declaration of
Quorum:**

At 9:00 a.m. Director Gale 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 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:

Director Gale 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 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 2008 Audit:

Director Gale 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 upon motion of Director Hill and second of Director Garton, the Boards voted unanimously to approve the 2008 audit prepared by Monahan, Lampman & Hayes, P.C.

Buckhorn Valley Boulevard
Project Contract:

After discussion and upon review of the contract for extension of Buckhorn Valley Boulevard, and upon motion of Director Garton and second of Director Hill, the Boards voted unanimously to award the contract to Scott Green Excavating. Additionally, the Boards authorized the Districts' manager to issue a change order, at their discretion, to hold the installation of a raw water irrigation main until a later date or to not install the main and also authorized the Districts' manager to issue a notice to proceed, at their discretion, when all final arrangements have been made with the shallow utility companies. The Boards further authorized the Districts' manager to enter into a negotiated contract for survey and project management with the project consulting engineers for an amount less than \$30,000. Lastly, the Boards authorized the Districts' manager to enter into a negotiated contract for soil testing with local geotechnical engineers for less than \$20,000.

Approval of Dedication to
Town of Gypsum:

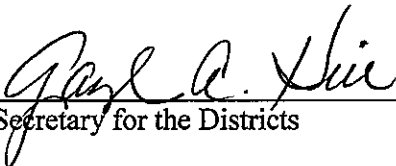
After discussion and upon review of the plat, and upon motion of Director Garton and second of Director Hill, the Boards voted unanimously to approve Director Gale's signature of the final plat dedicating Parcel D-1 to the Town of Gypsum for recreation purposes.

Approval of Extension of Promissory Note with Roark Partners LLLP:

Director Gale reviewed with the Boards terms and conditions to allow for the renewal and extension of the Districts' promissory note with Roark Partners LLLP. Upon motion of Director Hill and second of Director Gale, the Boards voted unanimously to approve the renewal and extension of the promissory note between the Districts' and Roark Partners LLLP, dated August 28, 2009. The Boards further authorized the renewal in the amount of \$80,482, to accrue at compounded interest at a rate of 7% p.a., for a term of one year until August 28, 2010, and also authorized priority of payment for the promissory note from 2008 tax revenues in favor of the promissory note prior to payment of the 2008 District bonds owned by Roark Partners LLLP.

Adjournment:

There being no further business to come before the Boards, upon motion and second, the Boards voted unanimously to adjourn the meeting at 9:45 a.m.


Secretary for the Districts