

# RECORD OF PROCEEDINGS

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

Held: Friday, December 11, 2009 at 2:30 P.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 (collectively the "Board of Directors" or "Board") 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.

Also present were: Tamara Gilida, Icenogle, Norton, Smith, Gilida & Pogue, P.C. (via telephone conference line), John Hill, Buckhorn Valley Development, LLC, District Management, Ken Guckenberger, Kutak Rock, LLP (via telephone conference line) and Eric Weaver, Robertson & Marchetti, P.C.

**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 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 her 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 her 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 November 17, 2009 Regular Meeting Minutes: Mr. Hill reviewed the minutes of the November 17, 2009 consolidated regular meeting of the Boards of Directors. Upon motion of Director Garton and second of Director Hill, the Boards voted unanimously to approve the minutes of their consolidated regular meeting of November 17, 2009.

Approval of Amended October 16, 2009 Special Meeting Minutes: Mr. Hill reviewed the amended minutes of the October 16, 2009 consolidated special meeting of the Boards of Directors. Upon motion of Director Garton and second of Director Kelley, the Boards voted unanimously to approve the amended minutes of their consolidated special meeting of October 16, 2009.

Adoption of 2010 Budgets, Appropriation of Funds, Certification of Mill Levies: Mr. Hill noted for the Boards that they had already held their public hearings on their budgets, and then briefly reviewed the changes made since those hearings. Following Mr. Hill's review, Director Garton moved that the Boards adopt their 2010 budgets, appropriate the funds therefore, and certify their 2010 mill levies. The motion was seconded by Director Kelley and approved unanimously by the Boards.

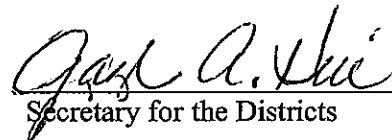
Approval of Resolution Authorizing Issuance of Buckhorn Valley Metropolitan District No. 2 Limited Tax General Obligation Refunding and Improvements Bonds, Bond Purchase Agreement, Sale Delegate, Subordination Agreement and Preliminary Limited Offering Memorandum:

Mr. Guckenberger briefed the Boards on the Buckhorn Valley Metropolitan District No. 2 Limited Tax General Obligation Refunding and Improvement Bonds, Series 2009. Mr. Guckenberger described to the Boards the contemplated transactions and actions.

After review, consideration and discussion, and upon the motion of Director Kelley and second of Director Garton, the Board of Directors of Buckhorn Valley Metropolitan District No. 2 unanimously approved the following documents and transactions: (1) a Resolution Authorizing (Subject to Delegation Parameters) the Issuance of the \$15,000,000 Buckhorn Valley Metropolitan District No. 2 General Obligation Limited Tax Refunding and Improvement Bonds, Series 2009 and all authorizations, actions and commitments contained therein; (2) the designation of Mr. John Hill as the District's Sale Delegate; (3) a Bond Purchase Agreement with George K. Baum & Company (subject to final revisions of District bond counsel and general counsel); (4) ratification of posting of the Preliminary Limited Offering Memorandum on December 10, 2009; and (5) the Subordination Agreement with the 2008 Bondholder (subject to final revisions of the District's bond and general counsel and changes necessary to accommodate changes to the Indenture of Trust).

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