

# RECORD OF PROCEEDINGS

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

Held: Monday, July 19, 2010 at 8:00 A.M., at 11 Bridger Drive,  
Gypsum, Colorado 81637.

**Attendance:**

The consolidated special meeting of the Boards 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 (via telephone conference line)  
Gayl Hill

The following Directors were absent:

David Garton, Jr. (absence excused)

Also present were: Jennifer L. Ivey, 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:**

Director Gale called to order the consolidated special meeting of the Boards 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. Ivey 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 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.

Notice of Vacancies: Upon motion of Director Hill and second of Director Gale, the Board voted to and did thereby direct legal counsel to cause publication of notices of vacancies occurring on the Boards.

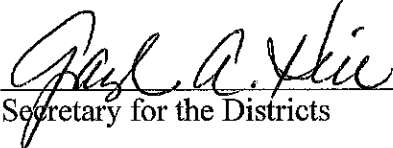
Approval of Agenda: Following review of the meeting's agenda and upon motion of Director Hill and second of Director Gale, the Board voted to approve the agenda for the meeting with a correction to Item 4(a) to reflect that this is Change Order No. 2.

Ratification of Change Order No. 2 for Buckhorn Valley Boulevard/Alkali Creek Public Improvements Contract by and between Buckhorn Valley Metropolitan District No. 1, Buckhorn Valley Metropolitan District No. 2 and Scott Green Excavating, Inc.: Following review of the change order and discussion regarding same and upon motion of Director Hill and second of Director Gale, the Board voted to approve and ratify Change Order No. 2 for Buckhorn Valley Boulevard/Alkali Creek Public Improvements Contract by and between Buckhorn Valley Metropolitan District No. 1, Buckhorn Valley Metropolitan District No. 2 and Scott Green Excavating, Inc. in the amount of \$60,611.18.

Financial Matters: None.

Other Business: None.

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