

RECORD OF PROCEEDINGS

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

Held: Wednesday, August 4, 2010 at 9:00 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
David Garton, Jr.
Gayl Hill (via telephone conference line)

Also present were: Tamara K. Seaver and Jennifer L. Ivey, Icenogle Seaver 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. Seaver 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 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 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.

Appointment to Vacancies on Boards of Directors:

Ms. Ivey advised the Boards that notice of the two vacancies on the Boards was published on July 22, 2010 in the Eagle Valley Enterprise pursuant to Section 32-1-808, C.R.S., and that no letters of interest were filed on or before August 2, 2010 (within ten days of the date of publication of this notice). Ms. Ivey further advised the Boards that John V. Hill and Scott Green were qualified as eligible electors of the Districts via Contracts to Purchase Taxable Property on August 3, 2010 and may be appointed to the Boards.

Following discussion, and upon motion of Director Hill and second of Director Gale, the Boards voted to appoint Messrs. Hill and Green to fill the vacancies on Buckhorn Valley Metropolitan District No. 1 and No. 2.

Administer Oaths to Newly Appointed Directors:

Ms. Seaver explained to the Boards that pursuant to Section 32-1-901(1) Ms. Gale, as the Chairman of the Board and/or as a notary in the State of Colorado, may administer the Oaths of Office to the newly appointed directors. Ms. Gale stated that she would administer the Oaths of Office outside of the meeting.

Election of Officers:

Ms. Ivey advised the Boards that, following the appointment of new directors at this meeting, the Boards should elect the newly appointed directors to offices and may also re-elect the current officers if they so desire.

Following discussion, and upon motion of Director Garton and second of Director Hill, the Board voted unanimously to retain the current officers and to elect the newly appointed directors to the following offices to service Buckhorn Valley Metropolitan District No. 1:

Assistant Secretary – John V. Hill

Assistant Secretary – Scott Green

Following discussion, and upon motion of Director Garton and second of Director Hill, the Board voted unanimously to retain the current officers and to elect the newly appointed directors to the following offices to service Buckhorn Valley Metropolitan District No. 2:

Assistant Secretary – John V. Hill
Assistant Secretary – Scott Green

Approval of Agenda: Following review of the meeting's agenda and upon motion of Director Garton and second of Director Hill, the Boards voted unanimously to approve the agenda for the meeting.

Consider Approval of January 26, 2010, May 13, 2010 and July 19, 2010 Special Meeting Minutes: Director Gale reviewed the minutes of the January 26, 2010, May 13, 2010 and July 19, 2010 special meetings of the Boards of Directors. Upon motion of Director Hill and second of Director Garton, the Boards voted unanimously to approve the minutes of their combined special meetings of January 26, 2010, May 13, 2010 and July 19, 2010.

Legal Matters: None.

Financial Matters: The Boards of Directors discussed the costs of an escrow arrangement with Zions First National Bank and determined that the escrow arrangement would not be necessary.

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