

RECORD OF PROCEEDINGS

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

Held: Friday, August 13, 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
Gayl Hill (via telephone conference line)

The following Director was absent:

David Garton, Jr. (absence excused)

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.

Written disclosures of these interests were filed with the Secretary of State prior to the meeting.

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

Legal Matters: None.

Financial Matters: None.

Public Hearing Regarding Inclusion of Property within Boundaries of Buckhorn Valley Metropolitan District No. 1: Director Gale opened the public hearing regarding the petition for inclusion of property into the boundaries of Buckhorn Valley Metropolitan District No. 1. No one appearing to be heard, the hearing was closed.

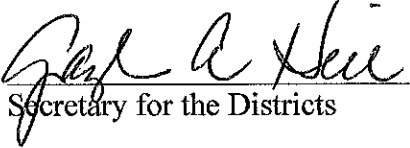
Adoption of Resolution and Order Regarding Inclusion of Property within Boundaries of Buckhorn Valley Metropolitan District No. 1 : Ms. Ivey presented for the Board's consideration a resolution and order of the Board of Buckhorn Valley Metropolitan District No. 1 approving the inclusion of real property owned by Christiane Hepfer into the boundaries of Buckhorn Valley Metropolitan District No. 1. Ms. Ivey further advised that the petition for such inclusion was submitted by Ms. Hepfer to the Buckhorn Valley Metropolitan District No. 1 on August 1, 2010 and that notice of the public hearing regarding the inclusion of Ms. Hepfer's property was published in the Eagle Valley Enterprise on August 12, 2010. After discussion and review, and upon motion of Director Gale and second by Director Hill, the Board unanimously approved the resolution and order to include Ms. Hepfer's property into the boundaries of Buckhorn Valley Metropolitan District No. 1.

Other Business: Mr. Hill advised the Boards that the Districts' management recommends the Boards consider interviewing alternative accounting firms in order to ensure that the Districts are receiving adequate quality of service for a fair price. After discussion the Boards authorized Mr. Hill to set up such

interviews and directed him to report back regarding the interview results.

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