

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 20, 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
Scott Green
Gayl Hill (via telephone conference line)
John Hill (via telephone conference line)

The following Director was absent:

David Garton, Jr. (absence excused)

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:

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 Scott Green disclosed that he is a party to a contract to purchase taxable property located within the boundaries of the Districts. He further disclosed that he is the owner of Scott Green Excavating, Inc., a contractor which currently has contract(s) with the Districts to construct a roadway and ancillary improvements. These improvements are being paid for, in part, by the Districts, with funds from District No. 2's 2010 bond issue. Director Green also disclosed that the compensation to be paid in accordance with the contract(s) is in excess of \$600,000, and that he does not expect his position of Director to enhance his position or the position of Scott Green Excavating, Inc. either competitively or financially. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director John Hill disclosed that he serves as a consultant to a major landowner and developer within the Districts, Buckhorn Valley Development, LLC, and that he has a small (less than 5%) ownership interest in same. He also is a party to a contract to purchase taxable property located within the boundaries of the Districts. Director John Hill further disclosed that in his role of consultant, he carries out the execution of management and project development duties performed for the Districts by Buckhorn Valley Development, LLC in its management contract with the Districts. He is employed on an at-will verbal consulting agreement, compensation for which varies from time to time and may be greater than \$100,000, but is not tied nor related to the financial arrangements or compensation for management services by and between Buckhorn Valley Development, LLC and the 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 Agenda:

Following review of the meeting's agenda and upon motion of Director G. Hill and second of Director J. Hill, 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 :	The Board was presented for 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. A petition for such inclusion was submitted by Ms. Hepfer to the Buckhorn Valley Metropolitan District No. 1 on August 1, 2010 and notice of the public hearing regarding the inclusion of Ms. Hepfer's property was published in the <u>Eagle Valley Enterprise</u> on August 19, 2010. After discussion and review, and upon motion of Director G. Hill and second of Director J. 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:	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