

# 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: Saturday, September 11, 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 (via telephone conference line)  
David Garton, Jr.  
Gayl Hill (via telephone conference line)  
John Hill

The following Director was absent:

Scott Green (absence excused)

Also present were: Tamara K. Seaver and Jennifer L. Ivey,  
Icenogle Seaver Pogue, P.C. (via telephone conference line).

### 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 owns property within  
the Districts and is a party to a contract to purchase taxable  
property located within the boundaries of the Districts. She also  
disclosed that she is a member of the Board of Directors of both  
Districts and that she is an employee of the developer/declarant  
and Colorado Land Management, LLC (which has a contract for  
management services with the Districts), for which she is paid a  
salary of approximately \$35,000. 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.

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 he serves as a consultant for Colorado Land Management, LLC, a role in which he carries out the execution of management and project development duties performed for the Districts by Colorado Land Management, 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 Colorado Land Management, 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.

Consider Approval of August 4, 2010, August 13, 2010 and August 20, 2010 Special Meeting Minutes:

Director Gale reviewed the minutes of the August 4, 2010, August 13, 2010 and August 20, 2010 special meetings of the Boards of Directors. Upon motion of Director Gale and second of Director Gayl Hill, the Boards voted unanimously to approve the minutes of their combined special meetings of August 4, 2010, August 13, 2010 and August 20, 2010.

Evaluation and Consideration of Contracts: Management

Following discussion, and upon motion of Director John Hill and second of Director Garton, the Boards voted unanimously to terminate the management services agreement with Buckhorn Valley Development, LLC effective August 31, 2010.

