

RECORD OF PROCEEDINGS

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

Held: Monday, December 2, 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)
John Hill (via telephone conference line)

Also present was: Tamara K. Seaver, 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 November 22, 2010 Special Meeting Minutes:

Director Gale reviewed the minutes of the November 22, 2010 special meeting of the Boards of Directors. Upon motion of Director John Hill and second of Director Garton, the Boards voted unanimously to approve the minutes of their combined special meeting of November 22, 2010.

Consider Adoption Of Resolution Regarding Certain District Fees And Charges And Rules And Regulations Pertaining To The Collection And Enforcement Of Fees And

Mr. Hill discussed with the Boards revisions to the present fee schedule, adoption of regulations regarding payment and collection of fees and related matters. The Boards discussed the revenue shortfalls which presently exist because the fees charged for water facilities and services are insufficient to cover the basic costs of the facilities and services, much less repairs and replacements of those facilities and maintenance of water rights.

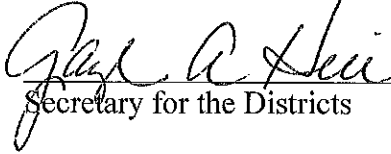
Charges: Thereafter, Ms. Seaver presented to and reviewed with the Boards a Resolution Regarding Certain District Fees And Charges And Rules And Regulations Pertaining To The Collection And Enforcement Of Fees And Charges. Following discussion, and upon motion of Director Garton and second of Director Gayl Hill, the Boards voted unanimously to adopt the Resolution Regarding Certain District Fees And Charges And Rules And Regulations Pertaining To The Collection And Enforcement Of Fees And Charges.

Legal Matters: None.

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

GAH