

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, January 24, 2011 at 8:30 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
John Hill

The following Directors were absent (*absences excused*):

David Garton, Jr.
Gayl Hill

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 8:40 a.m. at which time the Assistant 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 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.

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.

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

Consider Approval of
December 2, 2010 Special
Meeting Minutes:

Director Gale reviewed the minutes of the December 2, 2010 special meeting of the Boards of Directors. Upon motion of Director John Hill and second of Director Green, the Boards voted unanimously to approve the minutes of their combined special meeting of December 2, 2010.

Consider Approval of Director Gale reviewed the minutes of the December 21, 2010
December 21, 2010 Special special meeting of the Boards of Directors. Upon motion of
Meeting Minutes: Director John Hill and second of Director Green, the Boards
voted unanimously to approve the minutes of their combined
special meeting of December 21, 2010.

Consider Adoption of 2011 Ms. Seaver presented to and reviewed with the Boards the 2011
Annual Administrative annual administrative resolutions for District No. 1 and District
Resolutions: No. 2. Upon motion by Director John Hill and second by
Director Gale, the Boards unanimously voted to approve the
2011 annual resolutions including the election of officers in the
positions as follows:

President/Chairman: John Hill
Secretary/Treasurer: Samantha Gale
Assistant Secretary: David Garton
Assistant Secretary: Gayl Hill
Assistant Secretary: Scott Green

Consider Adoption of Ms. Seaver presented to and reviewed with the Boards
Resolutions Repealing Resolutions Repealing the Resolutions Adopting and Approving
Resolutions Adopting and an Identity Theft Prevention Policy and Identity Theft Prevention
Approving an Identity Theft Program Procedures for District No. 1 and District No. 2. Upon
Prevention Policy and motion by Director John Hill and second by Director Green, the
Identity Theft Prevention Boards unanimously voted to approve the Resolutions Repealing
Program Procedures: the Resolutions Adopting and Approving an Identity Theft
Prevention Policy and Identity Theft Prevention Program
Procedures.

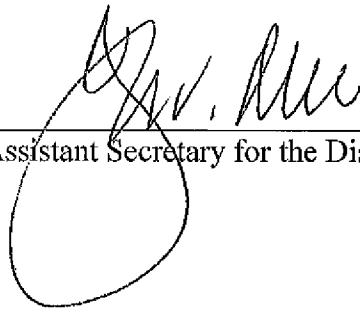
Consider Approval of Mr. Hill discussed with the Boards the need for a blanket
District Facilities Easement: easement over certain property within the Districts to allow for
the future provision of public services and facilities as dictated
by development within the Districts. Following the discussion
and, upon the motion of Director John Hill and second of
Director Green, the Boards unanimously approved ratification of
the district facilities easement.

Financial Matters: The Board discussed the implementation of the new rate
schedule and the relatively positive feedback from the
community.

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.


Assistant Secretary for the Districts