

RECORD OF PROCEEDINGS

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

Held: Tuesday, February 15, 2011 at 7:30 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
David Garton, Jr.

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

Call to Order/ Declaration of Quorum:

Director Hill called to order the consolidated special meeting of the Boards of Directors of the Buckhorn Valley Metropolitan Districts Nos. 1 & 2 at 7:35 a.m. at which time it was noted that the Notice of this meeting was properly posted within the Districts. Director Hill 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 David Garton, Jr. disclosed that he is a member of the Board of Directors of both Districts. This disclosure is

associated with the 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.

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.

Appointment to Vacancies on
Boards of Directors:

Ms. Ivey advised the Boards that notice of the two vacancies on the Boards was published on February 3, 2011 in the Eagle Valley Enterprise pursuant to Section 32-1-808, C.R.S., and that no letters of interest were filed on or before February 13, 2011 (within ten days of the date of publication of this notice). Director Hill advised the Boards that Anna Maria Ray was qualified as eligible electors of the Districts via Contracts to Purchase Taxable Property on February 14, 2011 and may be

appointed to the Boards.

Following discussion, and upon motion of Director Gale and second of Director Green, the Boards voted to appoint Ms. Ray to fill the vacancies on Buckhorn Valley Metropolitan District No. 1 and No. 2.

Administer Oaths to Newly Appointed Directors:

Ms. Seaver explained to the Boards that pursuant to Section 32-1-901(1) Director Hill, as the Chairman of the Board and/or as a notary in the State of Colorado, may administer the Oaths of Office to the newly appointed directors. Mr. Hill stated that she would administer the Oaths of Office outside of the meeting.

Consider Approval of January 24, 2011 Special Meeting Minutes:

Director Hill reviewed the minutes of the January 24, 2011 special meeting of the Boards of Directors. Upon motion of Director Garton and second of Director Gale, the Boards voted unanimously to approve the minutes of their combined special meeting of January 24, 2011.

Legal Matters:

None.

Financial Matters - Consider Reaffirmation/Renewal of Buckhorn Valley Development, LLC Promissory Note:

After discussion and upon motion of Director Gale and second of Director Garton, the Boards voted unanimously to table this item to the next regular or special meeting of the Boards of Directors.

Financial Matters - Discussion Regarding Aspen Ridge Rate Structure:

Director Hill discussed with the Boards of Directors the concerns raised by some residents of Aspen Ridge and the need for a formal rate study. Director Hill further discussed his initial consultation with and cost estimates for a rate study. After discussion the Boards of Directors instructed Director Hill to continue his discussions with rate consultants and bring the matter back to the Boards of Directors for approval prior to initiating the rate study.

Other Business:

None.

Adjournment:

There being no further business to come before the Boards of Directors, upon motion and second, the Boards voted unanimously to adjourn the meeting.


Secretary for the Districts