

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 25, 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:

John Hill
Scott Green
Anna Maria Ray

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

David Garton, Jr.
Samantha Gale

Also present was: 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 8:34 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 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.

Legal Matters:

None.

Public Hearing Regarding Inclusion of Property within Boundaries of Buckhorn Valley Metropolitan District No. 2:

Director Hill opened the public hearing regarding the petition for inclusion of property into the boundaries of Buckhorn Valley Metropolitan District No. 2. 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. 2 :

The Board was presented for consideration a resolution and order of the Board of Buckhorn Valley Metropolitan District No. 2 approving the inclusion of real property owned by BVD-ACQ, LLC into the boundaries of Buckhorn Valley Metropolitan District No. 2. A petition for such inclusion was submitted by BVD-ACQ, LLC to the Buckhorn Valley Metropolitan District No. 2 on February 17, 2011 and notice of the public hearing regarding the inclusion of the property was published in the Eagle Valley Enterprise on February 24, 2011. After discussion

and review, and upon motion of Director Green and second of Director Ray, the Board unanimously approved the resolution and order to include the property into the boundaries of Buckhorn Valley Metropolitan District No. 2.

Public Hearing Regarding Exclusion of Property from the Boundaries of Buckhorn Valley Metropolitan District No. 1:

Director Hill opened the public hearing regarding the petition for exclusion of property from 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 Exclusion of Property from the 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. 2 approving the exclusion of real property owned by BVD-ACQ, LLC from the boundaries of Buckhorn Valley Metropolitan District No. 1. A petition for such inclusion was submitted by BVD-ACQ, LLC to the Buckhorn Valley Metropolitan District No. 1 on February 17, 2011 and notice of the public hearing regarding the inclusion of the property was published in the Eagle Valley Enterprise on February 24, 2011. After discussion and review, and upon motion of Director Green and second of Director Ray, the Board unanimously approved the resolution and order to exclude the property from the boundaries of Buckhorn Valley Metropolitan District No. 1 and duly made the findings contained therein.

Financial Matters:

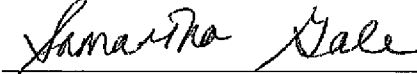
Mr. Hill reported to the Boards that a proposal for a rate study has been requested from an engineering firm out of Denver.

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