

RECORD OF PROCEEDINGS

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

Held: Thursday, September 29, 2011 at 7:15 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
David Garton, Jr.
Scott Green (*via telephone conference line*)
Anna Maria Ray (*via telephone conference line*)
Samantha Gale (*via telephone conference line*)

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

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 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 is a party to a contract to purchase taxable property located within the boundaries of the Districts. He also disclosed that he may perform consulting services 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. Director Hill further disclosed that he is President of the Board of Directors of the Buckhorn Valley Master Owners Association and President of the Board of Directors of the Single

Family Residences at Buckhorn Valley, Inc. 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. In the performance of his duties, Director Hill may, from time to time, perform consulting services for parties which are investigating possible purchases, are purchasing or have purchased lands within the Districts. Such work is generally, but not always, performed on an at-will consulting basis, with compensation on a lump-sum, fixed fee or hourly basis, or may be based on a combination of these or some other basis as of yet undetermined. This disclosure is associated with approval of items on the agenda that may affect his interests.

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, is a member of the Board of Directors of the Buckhorn Valley Master Owners Association and is a member of the Board of Directors of the Single Family Residences at Buckhorn Valley, Inc. Director Gale further disclosed 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 owns property within Buckhorn Valley Metropolitan District No. 2 and 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 a member of the Board of Directors of both Districts, is a member of the Board of Directors of the Buckhorn Valley Master Owners Association and is a member of the Board of Directors of the Single Family Residences at Buckhorn Valley, Inc. This disclosure is associated with the 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.

Ms. Ivey advised that written disclosures of these interests were filed with the Secretary of State at least seventy-two hours prior to the meeting.

Consent Agenda – Consider Approval of June 15, 2011 Special Meeting Minutes:

Director Hill reviewed the minutes of the June 15, 2011 special meeting of the Boards of Directors. Upon motion of Director Green and second of Director Gale, the Boards voted unanimously to approve the minutes of their combined special meeting of June 15, 2011.

Manager's Report:

Director Hill reviewed with the Boards of Directors the report of the Districts' activities dated September 25, 2011 that was circulated via electronic mail to the members of the Boards of Directors.

Manager's Report – Pump Station Update:

Director Hill advised the Boards of Directors regarding the problems that were discovered regarding the property rights for the pump house station and access thereto, the status of negotiations with the property owner Ms. Denson/Hillis of Snowmass, Inc., and the recent meeting with Ms. Ivey and proposed special counsel, Mr. Rodriguez of Duncan, Ostrander & Dingess, P.C. regarding possible condemnation of the property.

Ms. Ivey reviewed with the Boards of Directors a resolution approving the acquisition and, if necessary, condemnation of an easement for the pump house station located on the Hillis of Snowmass, Inc. property. After discussion and review the Boards of Directors, upon motion of Director Green and second of Director Gale, voted unanimously to approve the resolution approving the acquisition and, if necessary, condemnation of an easement for the pump house station located on the Hillis of Snowmass, Inc. property and appointment of Director Hill as representative of the District for purposes of negotiation, provided that before a condemnation action is initiated the Boards of Directors shall consider that action at a meeting.

Ms. Ivey reviewed with the Boards of Directors the Fee Agreement and Addendum with Duncan, Ostrander & Dingess, P.C. engaging them as special counsel. After discussion and review the Boards of Directors, upon motion of Director Garton and second of Director Gale, voted unanimously to approve engaging Duncan, Ostrander & Dingess, P.C. as special counsel and authorizing execution of the Fee Agreement and Addendum.

Legal Matters:

None.

Financial Matters – Public Hearings regarding and Consider Approval of 2010 Budget Amendments:

Director Hill reviewed with the Boards of Directors the Resolutions to Amend 2010 Budgets for Buckhorn Valley Metropolitan District No. 1 and Buckhorn Valley Metropolitan District No. 2. A public hearing regarding the proposed amendments to the 2010 Budgets for Buckhorn Valley Metropolitan District No. 1 and Buckhorn Valley Metropolitan District No. 2 was opened by Director Hill. Director Hill noted that Mr. Bennett was the only member of the public in attendance and Mr. Bennett confirmed that he had no comments regarding the proposed amendments to the 2010 Budgets for Buckhorn Valley Metropolitan District No. 1 and Buckhorn Valley Metropolitan District No. 2. Director Hill closed the public hearing. After discussion and review, and upon motion of Director Garton and second of Director Green, the Boards of Directors unanimously approved the amendments to the 2010 Budgets for Buckhorn Valley Metropolitan District No. 1 and Buckhorn Valley Metropolitan District No. 2.

Financial Matters – Ratify Engagement of Clifton Gunderson, LLP:

Director Hill reviewed with the Boards of Directors the terms of engagement of Clifton Gunderson, LLP for accounting and billing services. After review and discussion by the Boards of Directors and upon motion by Director Garton and second by Director Green, the Boards of Directors voted unanimously to ratify the engagement of Clifton Gunderson, LLP for accounting and billing services.

Other Business:

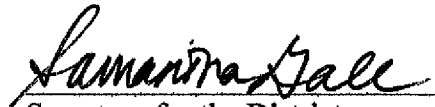
Director Hill presented and reviewed with the Boards of Directors the financial report and statement of claims representing check numbers 5259 through 5303. After discussion and review, and upon motion of Director Green and second of Director Gale, the Boards unanimously approved the claims (check numbers 5259 through 5303) and accepted the report.

Director Garton extended his appreciation to Director Hill for his

hard work and efforts regarding the Districts. Director Gale agreed and also commended Director Hill on this hard work.

Adjournment:

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


Secretary for the Districts