

# RECORD OF PROCEEDINGS

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

Held: Wednesday, October 26, 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:

John Hill  
David Garton, Jr.  
Anna Maria Ray (*via telephone conference line*)  
Samantha Gale (*via telephone conference line*)

The following Director was absent (*absences excused*):

Scott Green

Also present were: 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 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.

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 September 29,  
2011 Special Meeting  
Minutes:

Director Hill reviewed the minutes of the September 29, 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 September 29, 2011 with correction to the spelling of Mr. Bennett's name.

Manager's Report:

Director Hill updated the Boards of Directors regarding the negotiations with property owner Ms. Denson/Hillis of Snowmass, Inc. regarding the property rights for the pump house station and access thereto. Director Hill reported that Ms. Denson has asked for \$30,000 for the property rights and that an appraisal will be prepared to confirm the value of the property rights before acquisition.

Legal Matters:

Ms. Ivey reviewed with the Boards of Directors a resolution authorizing the certification of delinquent accounts to the Eagle County Treasurer pursuant to Section 32-1-1101(1)(e), C.R.S. After review and discussion and upon motion of Director Gale and second of Director Ray, the Boards voted unanimously to approve the resolution authorizing the certification of delinquent accounts to the Eagle County Treasurer pursuant to Section 32-1-1101(1)(e), C.R.S.

Financial Matters:


Director Hill discussed with the Boards of Directors a proposal to delay the water rate increase which was scheduled to take effect on January 1, 2012. Director Hill explained that the Districts customers have begun to timely pay current water bills and the fear is that a change may cause many residents to stop paying their bills, particularly in light of an anti-government sentiment in the area. After discussion and upon motion of Director Garton and second of Director Gale, the Boards voted unanimously to delay the proposed changes to the Districts rate structure until January 1, 2013.

Other Business:

None.

Adjournment:

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

  
Secretary for the Districts