

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, December 13, 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.
Samantha Gale (*via telephone conference line*)

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

Scott Green
Anna Maria Ray

Also present were: None.

**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.

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 October 26, 2011 Special Meeting Minutes:

Director Hill reviewed the minutes of the October 26, 2011 special meeting of the Boards of Directors. Upon motion of Director Gale and second of Director Garton, the Boards voted unanimously to approve the minutes of their combined special meeting of October 26, 2011.

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 also updated the Boards of Directors regarding water rights works for the McHatten Filing and the completion of ditch improvements. Director Hill discussed with the Boards of Directors possible rate changes for 2012 or beyond and the financial implications of modifying on the rates for Aspen Ridge customers.

Legal Matters:

Director Hill reviewed with the Boards of Directors a Bargain and Sale Deed by and between Buckhorn Valley Metropolitan District No. 2 and Buckhorn Valley Metropolitan District No. 1, which is meant to transfer ownership of all facilities to Buckhorn Valley Metropolitan District No. 1 as contemplated by the Districts' Service Plan and Comprehensive Intergovernmental Agreement. After review and discussion and upon motion of Director Gale and second of Director Garton, the Boards voted unanimously to approve the Bargain and Sale Deed by and between Buckhorn Valley Metropolitan District No. 2 and Buckhorn Valley Metropolitan District No. 1 and authorizing execution and recording of the same.

Financial Matters: Public Hearings on 2011 Budget Amendments:

Director Hill opened a public hearing on the proposed 2011 budget amendments. There appearing no member of the public to speak on the proposed budget amendments, the hearing was then closed.

Financial Matters: Consider Approval of 2011 Budget Amendments and Budget Amendment Resolutions:

Director Hill presented to the Boards resolutions for approval and adoption of the 2011 budget amendments. After review and discussion of the proposed 2011 budget amendments and upon motion of Director Gale and second of Director Garton, the Boards unanimously approved the Resolutions adopting the 2011 budget amendments.

Financial Matters: Public Hearings on Proposed 2012 Budgets:

Director Hill opened a public hearing on the proposed 2012 budgets for the Districts. There appearing no member of the public to speak on the proposed budgets, the hearing was then closed.

Financial Matters: Consider
Approval of 2012 Budgets
and Budget Resolutions:

Director Hill presented to the Boards the proposed 2012 budgets and resolutions for approval and adoption of the 2012 budgets, appropriating funds therefore and certification of a mill levies thereunder. After review and discussion of the proposed 2012 budgets and upon motion of Director Gale and second of Director Garton, the Boards unanimously approved the resolutions adopting the year 2012 budgets, appropriating the expenditures therefore and certifying the mill levies thereunder, subject to final revisions of the 2012 budget by the Districts' accountants.

Financial Matters: Financial
report/payment of claims:

Director Hill presented and reviewed with the Boards of Directors the financial report and statement of claims representing check numbers 5300 through 5351. After discussion and review, and upon motion of Director Garton and second of Director Gale, the Boards unanimously approved the claims (check numbers 5300 through 5351) and accepted the report.

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