

RECORD OF PROCEEDINGS

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

Held: Friday, January 5, 2018 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 (the “Boards of Directors” or “Boards”) was called and held as shown in accordance with the statutes of the State of Colorado.

The following Directors were present:

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

Also present were: Jennifer L. Ivey, Icenogle Seaver Pogue, P.C. (*via telephone conference line*) and Debra Sedgeley, CliftonLarsonAllen, LLP (*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 of Directors 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 and a beneficiary of a potential profits interest from entities which own 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. 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, and, in part, is derived from 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 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.

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 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 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 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

approval of items on the agenda that may affect her interests.

Director Anna Maria Ray reported that she had no conflicts of interest requiring disclosure.

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.

Approval of/Additions
to/Deletions from the
Agenda:

After review and discussion and upon motion of Director Garton, Jr. and second of Director Hill the Boards voted unanimously to approve the agenda as presented.

Public Comment for Matters
Not on the Agenda:

None.

Approval of Minutes:

After review and discussion and upon motion of Director Garton, Jr. and second of Director Hill the Boards voted unanimously to approve the November 21, 2017 regular consolidated meeting minutes.

Legal Matters – Award
Contract(s) for JPO Ditch
Pipeline:

Ms. Ivey and Director Hill reviewed with the Board of District No. 1 the bidding procedures for the JPO Ditch Pipeline Project, the proposed form of Contract and the bid received from Scott Green Excavating, Inc. for \$1,146,920.00. Director Hill noted that it is his recommendation to remove the materials from the award of contract and award the contract to Scott Green Excavating, Inc. to furnish all equipment, labor, supervision and all other necessities for the installation of the JPO Ditch Pipeline Project for a final contract cost not-to-exceed \$600,000.00 with change orders exceeding \$50,000.00 singularly or \$150,000.00 in the aggregate requiring Board authorization. Director Hill further recommended a separate authorization for District management to order the materials for a not-to-exceed cost of \$550,000.00 with change orders exceeding \$50,000.00 singularly or \$150,000.00 in the aggregate requiring Board authorization.

After review and discussion and upon motion of Director Hill and second of Director Garton, Jr. the Board voted unanimously (with Director Green abstaining) to approve the contracts as recommended by Director Hill. Director Green recused himself from discussion of this agenda item and abstained from voting thereon.

Legal Matters – Transfer of
Subordinate General

Ms. Ivey reviewed with the Board of District No. 2 an assignment and transfer of ownership of the \$8,500,000

Obligation Limited Tax Bonds Series 2008 from Roark Partner, LLLP to David Garton Jr.:

Subordinate General Obligation Limited Tax Bonds Series 2008 from Roark Partner, LLLP to David Garton Jr. After review and discussion and upon motion of Director Hill and second of Director Green, the Board voted unanimously (with Director Garton Jr. abstaining) to accept and acknowledge the assignment and transfer to ownership. Director Garton Jr. recused himself from discussion of this agenda item and abstained from voting thereon.

Manager's Report:

None.

Other Business:

None.

Adjournment:

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

~~APPROVED-APRIL 6, 2018~~

Anna Maria Bo

11-23-19

Secretary for the Districts