

**CERTIFIED COPY OF RESOLUTION
BUCKHORN VALLEY METROPOLITAN DISTRICT NOS. 1 & 2
ANNUAL ADMINISTRATIVE MATTERS**

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

At a special joint meeting of the Board of Directors of Buckhorn Valley Metropolitan District Nos. 1 & 2, Eagle County, Colorado, held at 4:00 p.m., on Tuesday, the 10th day of February, 2004, at 101 Indian Heights, in Gypsum, Colorado, there were present:

David Garton, Jr., President
Sande Garton, Vice President
Robert J. Kingston, Secretary/Treasurer
Samantha G. Gale, Assistant Secretary
Mallie J. Kingston, Assistant Secretary

Also in attendance were:

Kenneth Marchetti ; Robertson & Marchetti, P.C.

when the following proceedings, were had and done, to wit:

It was moved by Director Garton to adopt the following Resolution:

WHEREAS, each District was organized as a special district pursuant to an Order of the District Court in and for Eagle County, Colorado, and is located within said County; and

WHEREAS, the Board of Directors of each District has a duty to perform certain obligations on a recurring basis in order to assure the efficient operation of each District;

NOW, THEREFORE, BE IT RESOLVED by Buckhorn Valley Metropolitan District No. 1 & 2, of Eagle County, Colorado, as follows:

1. Each board directs the consultants for the District to prepare accurate maps as specified by the Division for filing with the Division and the County Assessor on or before January 1, as required by Section 32-1-306, C.R.S.

2. Each board directs legal counsel to notify the Board of County Commissioners, Assessor, Treasurer, Clerk and Recorder, the governing body of the municipality in which each District is located, and the Division of Local Government of the name of the chairman of each board, the contact person located within the District if available, telephone number and business address of each District on or before January 15, as required by Section 32-1-104(2).

3. Each board directs its staff to submit a proposed budget to the board by October 15, to schedule a public hearing on the proposed budget, prepare a final budget, and budget resolutions, including certification of mill levies; amendments to the budget if necessary; to certify the mill levies on or before December 15; and to file the approved budgets and amendments thereto with the proper governmental entities in accordance with the Local Government Budget Law of Colorado, Sections 29-1-101 to 29-1-115, C.R.S.

4. Each board directs legal counsel to notify the Board of County Commissioners or the governing body of the municipality, of any alteration or revision of the proposed schedule of debt issuance set forth in the financial plan, as required by Section 32-1-202(b), C.R.S.

5. Each board directs legal counsel to prepare and file an informational listing of all contracts in effect with other political subdivisions with the Division of Local Government on or before February 1, as required by Section 29-1-205, C.R.S. As of the date hereof, said listing includes the following agreements with notations as to which agreements are subject to annual appropriation:

- a. District Facilities Construction and Service Agreement (“Master IGA”) between Buckhorn Valley Metropolitan District No. 1 and Buckhorn Valley Metropolitan District No. 2 (no annual appropriation); and

6. Each board directs legal counsel to prepare and file the annual public securities report for nonrated public securities issued by the Districts, with the Department of Local Affairs on or before March 1, in accordance with Section 11-58-101 to 11-58-107, if required.

7. Each board directs the accountant to prepare an Audit Exemption and Resolution for approval of Audit Exemption to file with the State Auditor by March 31, as required by Section 29-1-604, C.R.S.; or each board directs that an audit of the financial statements be prepared and submitted to each board before June 30; further, each board directs that the Audit be filed with the State Auditor by July 31, as required by Section 29-1-603, C.R.S.

8. Each board directs its staff to prepare the Unclaimed Property Act report and forward to the State Treasurer by November 1 if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with Section 38-13-110, C.R.S., if required.

9. Each board directs legal counsel to oversee the preparation of the continuing annual disclosure report required to be filed not later than January 1st of each year, in accordance with the Securities Exchange Commission Rule 15c2-12, if required.

10. Each board designates Robertson & Marchetti, P.C., as the official custodian of public records, as such term is used in Section 24-72-202, C.R.S.

11. Each board is reminded that in accordance with the Fair Campaign Practices Act, enacted in November 1996, each board member of each district is required to report to the County Clerk and Recorder on a form prescribed by the Secretary of State, certain items received in

connection with their service, such report to be filed on or before January 15 of the year following receipt of the items, as required by Sections 1-45-109 and 24-6-203, C.R.S.

12. Each board designates the *Eagle Valley Enterprise* as the newspaper of general circulation within the boundaries of the Districts, or in the vicinity of the Districts if none is circulated within the Districts, and directs that all legal notices shall be published in accordance with Section 32-1-103(15), C.R.S., in the *Eagle Valley Enterprise*.

13. The Board of Directors of each District determines that each director **shall/shall not** receive compensation for services as directors in accordance with 32-1-902(3)(a)(I) & (II), C.R.S.

14. The District hereby determines that each present and future member of the Board shall execute an Affidavit of Qualification of Director and that these forms will be retained in the District's files. Section 32-1-103(5) sets out the qualifications required. Pursuant to Section 32-1-901 C.R.S., the District determines that each present and future member of the Board shall have in its files, with annual confirmation thereof by the public custodian, a complete and executed Certificate of Appointment (if Board member is appointed), current Oath of Office and applicable Surety Bond, and that copies of each be submitted to the Department of Local Government as necessary and as may be requested.

15. Each District hereby elects, in accordance with Section 32-1-902, C.R.S., the following officers for the District:

President -	David Garton, Jr.
Vice President -	Sande Garton
Secretary/Treasurer -	Robert J. Kingston
Assistant Secretary -	Samantha G. Gale
Assistant Secretary -	Mallie J. Kingston

16. The Board of Directors of the District extends the current indemnification resolution to allow the resolution to continue in effect as written, and hereby appropriates sufficient funds for such purpose.

17. The Board of Directors of each District designates the locations, identified on Exhibit A, attached hereto, which is within the boundaries of the designated District, as the posting places for notices of informal meetings, in accordance with Section 24-6-402(2)(c), C.R.S.

18. Each board determines to hold regular joint meetings on the first Tuesday of the second month of each quarter at 4:00 p.m. The location of the meeting will be at 0044 Indian Heights, in Gypsum, Colorado that is either in the same county as the Districts or within 20 miles of the boundaries of the Districts. In addition, Regular and Special Meeting notices shall be posted at the locations identified on Exhibit A, attached hereto, and at the Clerk and Recorder's office, all in accordance with Section 32-1-903, C.R.S. Each board directs legal counsel to prepare notices for posting at the specified locations and at the Clerk and Recorder's office, and to revise the notices when the board intends to make a final determination to issue or refund general obligation indebtedness, to consolidate the District, to dissolve the District, to file a plan for adjustment of debt

under federal bankruptcy law, or to enter into a private contract with a director, or not to make a scheduled bond payment.

19. Chrissy Laabs, of Robertson & Marchetti, P.C., is hereby appointed as the "Designated Election Official" of each board for any elections to be held by the Districts. In accordance with Section 1-1-111(2), C.R.S., the boards hereby grant all powers and authority for the proper conduct of the elections to the Designated Election Official, including but not limited to: calling an election on behalf of each District; approving the final form of ballot issues and questions; preparation of the TABOR notices; appointing election judges, appointing canvass boards and cancellation, if applicable, of the elections.

20. The board deems it expedient for the convenience of the electors that it shall conduct all regular and special elections of the District via a mail ballot election unless a polling place election is deemed necessary and expressed in a separate election resolution.

21. In accordance with Sections 1-11-103, 32-1-104(1), and 32-1-1101.5, C.R.S., each District directs legal counsel and the Designated Election Official to notify the Division of Local Government and the Board of County Commissioners or governing body of the municipality that has approved organization of the District of the results of any elections held by each District, including business address, telephone number and the contact person; and to certify results of any election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of a municipality.

22. In accordance with Section 32-1-1604 and 1101.5(1), C.R.S., each board directs legal counsel to issue notices of indebtedness to the Board of County Commissioners and to record such notices with the County Clerk and Recorder within 30 days of incurring or authorizing any indebtedness.

23. Each board directs legal counsel to prepare and file with the Board of County Commissioners, if requested, the quinquennial finding of reasonable diligence in accordance with Section 32-1-1101.5(1.5) & (2), C.R.S.

24. Each board directs legal counsel to prepare and file, if requested, the special district annual report, in accordance with Section 32-1-207(3)(c), C.R.S.

25. Each board has determined that legal counsel will file conflict of interest disclosures provided by board members with the Secretary of State 72 hours prior to each meeting of the board, in accordance with Sections 32-1-902(3) and 18-8-308, C.R.S. Annually, but no later than August, legal counsel shall request that each board member submit updated information regarding actual or potential conflicts of interest. Additionally, at the beginning of every term, legal counsel shall request that each board member submit information regarding actual or potential conflicts of interest.

26. The District is currently a member of the Special District Association ("SDA"), and insured under the Colorado Special Districts Property and Liability Pool. The board directs it accountant to pay the annual SDA membership dues and insurance premiums in a timely manner.

The board and legal counsel will biannually review all insurance policies and coverage in effect to determine appropriate insurance coverage is maintained.

The Board of Directors of the District determines that worker's compensation insurance will be waived.

27. The following agreements with non-governmental entities are subject to annual appropriation during the budget process:

28. Each board directs legal counsel to advise it on the requirements of the Fair Campaign Practices Act §1-45-101 et seq., C.R.S. and acknowledges receipt of a memorandum on the same.

29. Each District further authorizes all actions necessary for adoption of an Annual Master IGA Resolution, which shall set forth and clarify the Districts' intentions with respect to past practices taken in connection with the District Facilities Construction Agreement between the Districts.

30. District No. 1 has the following outstanding promissory note(s):

See separate printout.

31. District No. 2 has the following outstanding bonds:

See separate printout.

Whereupon, the motion was seconded by Director Sande Garton, and upon vote, unanimously carried. The Chairman declared the motion carried and so ordered.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

ADOPTED AND APPROVED THIS 10th DAY OF February 2004.

BUCKHORN VALLEY METROPOLITAN
DISTRICT NOS. 1 & 2

By: David Stanton
President

ATTEST:

By: Robert Kingston
Secretary

I, Robert Kingston, Secretary of the boards of Buckhorn Valley Metropolitan District Nos. 1 & 2, do hereby certify that the annexed and foregoing Resolution is a true copy from the Records of the proceedings of the boards of said Districts, on file with White and Associates Professional Corporation, general counsel to the Districts.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seals of the Districts, at the _____, Colorado, this 10th day of February 2004.

Robert Kingston
Secretary

(SEALS)

EXHIBIT A
Regular, Special and Informal Meeting Notice
Posting Locations

WHEREAS, Special Districts are required by Subsection 24-6-402(2)(c), C.R.S., to designate annually at the District's Board of Directors' first regular meeting of each calendar year, the place at which notice will be posted at least 24 hours prior to each meeting.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 1 & NO. 2 AS FOLLOWS:

1. Notices of meetings of the District's Board of Directors required pursuant to Section 24-6-401, et. seq., C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following locations:

Buckhorn Valley Sales Office @ 0044 Indian Heights

2. Notices of regular or special meetings required to be posted at three public places within the District and at the office of the County Clerk and Recorder at least 3 days prior to said meeting shall continue to be made pursuant to Section 32-1-903(2), C.R.S. At this time the posting places will be as follows, but such posting places may be changed without notification or revision of this resolution:

Buckhorn Valley Sales Office @0044 Indian Heights
Stop Sign at Buckhorn Valley Boulevard and Indian Heights
Stop Sign at Indian Heights and Navajo.

ADOPTED this 10th day of February, 2004.