

**CERTIFIED RECORD
OF
PROCEEDINGS OF
THE BOARD OF DIRECTORS
OF
BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
EAGLE COUNTY, COLORADO**

Relating to a resolution authorizing the issuance of:

\$8,500,000

**SUBORDINATE GENERAL OBLIGATION LIMITED TAX BONDS
SERIES 2008**

This cover page is not a part of the following resolution and is included solely for the convenience of the reader.

NOTICE OF SPECIAL MEETING

NOTICE IS HEREBY GIVEN that the Boards of Directors of BUCKHORN VALLEY METROPOLITAN DISTRICT NOS. 1 & 2 of the County of Eagle, State of Colorado, will hold a special meeting at 9:00 a.m., on Wednesday, February 6, 2008 at 0044 Indian Heights, Gypsum, Colorado, where Buckhorn Valley Metropolitan District No. 2 will make a final determination to issue general obligation indebtedness and for the purpose of conducting such business as may come before the Boards. This Notice is furnished pursuant to Section 32-1-903(3), C.R.S

The meetings are open to the public.

BY ORDER OF THE BOARD OF DIRECTORS:

**BUCKHORN VALLEY METROPOLITAN
DISTRICT NOS. 1 & 2**

/s/ WHITE, BEAR & ANKELE
Professional Corporation

TABLE OF CONTENTS

Section 1.	Definitions.....	2
Section 2.	Authorization	4
Section 3.	Subordinate General Obligation Limited Tax Bonds	4
Section 4.	Subordinate Bond Details	4
Section 5.	Form and Execution of Subordinate Bonds	5
Section 6.	Authentication.....	5
Section 7.	Delivery of Subordinate Bonds.....	5
Section 8.	Registration, Exchange, and Restrictions on Transfer of Subordinate Bonds; Persons Treated as Owners	5
Section 9.	Payment of Subordinate Bonds; Paying Agent and Bond Registrar.....	6
Section 10.	Prior Redemption.....	7
Section 11.	Cancellation of Bonds.....	7
Section 12.	Lost Bonds	8
Section 13.	Investment of Proceeds; Tax Covenants.....	8
Section 14.	Creation of Subordinate Bond Account.....	8
Section 15.	No Initial Credits to Accounts	9
Section 16.	Payment of Principal and Interest	9
Section 17.	Additional Covenants.....	9
Section 18.	Defeasance	9
Section 19.	Events of Default	10
Section 20.	Remedies of Events of Default	10
Section 21.	Permitted Amendments.....	10
Section 22.	Amendments Requiring Consent of Owners	10
Section 23.	Effect of Amendment.....	11
Section 24.	Acceptance of Duties of Paying Agent and Bond Registrar	11
Section 25.	Removal or Resignation of Bond Registrar or Paying Agent; Successors	12
Section 26.	Authorization to Execute Documents	12
Section 27.	Costs and Expenses.....	12
Section 28.	Holidays	12
Section 29.	Pledge of Revenues.....	12
Section 30.	No Recourse Against Officers and Agents	12
Section 31.	Conclusive Recital	13
Section 32.	Limitation of Actions	13
Section 33.	No Municipal Obligation	13
Section 34.	Ratification and Approval of Prior Actions	13
Section 35.	Resolution Irrepealable	13
Section 36.	Repealer	13
Section 37.	Severability	13
Section 38.	Effective Date	14
APPENDIX A — FORM OF BOND		
APPENDIX B — FORM OF INVESTMENT LETTER		

STATE OF COLORADO)
)
EAGLE COUNTY) ss.
)
BUCKHORN VALLEY)
METROPOLITAN DISTRICT NO. 2)

The Board of Directors of Buckhorn Valley Metropolitan District No. 2, Eagle County, Colorado, met in regular session at 0044 Indian Heights, in Gypsum, Colorado on Wednesday, the 6th day of February, 2008, at the hour of 9:00 a.m. continued to February 7, 2008 at 2:00 p.m.

The following members of the Board of Directors were present, constituting a quorum:

Board member	Office
David Garton, Jr.	President
Sande Garton	Vice President
Samantha G. Gale	Assistant Secretary
Herb Eaton	Assistant Secretary
Robert J. Kingston	Secretary/Treasurer

The following members of the Board of Directors were absent, and their absences were excused:

Also present:

After the President called the meeting to order, the following resolution was introduced:

RESOLUTION

WHEREAS, the District was formed pursuant to Colorado Revised Statutes § 32-1-101, *et seq.*, as amended, by an order and decree of the District Court for Eagle County, Colorado (the "County") on May 15, 2000, and after approval of the eligible electors of the District at a special election held May 2, 2000, for the purpose of assisting in the financing and development, and to serve certain needs of, a residential planned unit development located within the boundaries of Eagle County, Colorado (the "Service Area"), as such area is more particularly described in the Service Plan (as defined herein);

WHEREAS, on June 28, 2005, the Town of Gypsum (the "Town") Council Members approved the Amended and Restated Consolidated Service Plan for Buckhorn Valley Metropolitan District Nos. 1 & 2 dated June 23, 2005 (the "Service Plan") for the purpose of providing certain parameters for the financing and development of the Service Area, and the provision of certain services within the Service Area, by the District; and

WHEREAS, in order to assist in the financing of certain improvements to be located in the Service Area (the "Projects"), the District has agreed to impose an ad valorem mill levy in the amounts required hereunder (as more particularly defined herein, the "Capital Levy"), and to pay any necessary amounts received as a result of the Capital Levy to the Owner; and

WHEREAS, the District is authorized pursuant to Colorado Revised Statutes § 32-1-101, *et seq.* (the "Act") to issue general obligation bonds for any of its corporate purposes and, pursuant to the Service Plan, is authorized to issue indebtedness to finance the construction and acquisition of the Projects; and

WHEREAS, at elections (the "Elections") of the qualified electors of the District, duly called and held on May 2, 2000 and November 7, 2000, in accordance with law and pursuant to due notice, a majority of the qualified electors voting at the Elections voted for the issuance of general obligation bonds in an aggregate maximum principal amount not exceeding \$40,090,000, with a maximum aggregate repayment cost not to exceed \$320,758,000, and a maximum aggregate annual tax increase of \$47,306,200 for repayment of such bonds, all for the purpose of designing, acquiring, installing, constructing, operating and maintaining water facilities, street and roadway improvements, traffic and safety protection facilities, television relay and translator facilities, park and recreation improvements (to the extent such park and recreation improvements do not overlap with the improvements provided by Western Eagle County Metropolitan Recreation District), mosquito control and storm and sanitary sewage facilities (collectively, the "Improvements") and the returns of said elections were duly canvassed and the results thereof declared; and

WHEREAS, the District and Buckhorn Valley Metropolitan District No. 1 entered into the First Amended and Restated District Facilities Construction and Service Agreement (the "Service Agreement") on March 3, 2003; and

WHEREAS, the Board of Directors for the District (the "Board") has determined that it is necessary and in the best interests of the District that the District issue its "Subordinate General Obligation Limited Tax Bonds, Series 2008" in the aggregate principal amount not to exceed

\$8,500,000 (the "Subordinate Bonds") for the purpose of defraying the cost of all or a portion of the Projects, such bonds to be payable *on a subordinate basis* to any Senior Bonds as defined herein and to be payable on a subordinate basis to the District's Service Obligation Mill Levy under the Service Agreement (limited to 5 mills Gallager adjusted) from (i) amounts payable to the District as a result of its imposition of any ad valorem taxes pursuant to the Capital Levy as defined herein and (ii) any other legally available amounts designated by the District (collectively, the "Subordinate Pledged Revenues"); and

WHEREAS, on March 1, 2003, the District issued \$2,500,000 of its General Obligations Limited Tax Bonds, Series 2003 (the "Series 2003 Bonds") for the purposes of financing portions of the Project; and

WHEREAS, the Subordinate Bonds will be delivered to Roark Partners, LLLP (the "Developer") as consideration for the Improvements previously paid for by the Developer on behalf of the District; and

WHEREAS, the entity acquiring the Subordinate Bonds has represented to the District that it is a qualified accredited investor as that term is defined in Rule 501(a)(8) promulgated under the Securities Act of 1933; and

WHEREAS, the entity acquiring the Subordinate Bonds has established to the satisfaction of the District that it understands the risks inherent in an investment in the Subordinate Bonds and has signed an investment letter to that effect; and

WHEREAS, transfer of the Subordinate Bonds shall also be restricted to accredited investors; and

WHEREAS, the Subordinate Bonds shall be issued pursuant to the provisions of Title 32, Article 1, Part 101 C.R.S., and the Supplemental Public Securities Act set forth in Title 11, Article 57, et seq., and all other laws thereunto enabling; and

WHEREAS, after consideration, the Board has determined that the acquisition of the Improvements from the Developer and the issuance of the Subordinate Bonds in consideration for such acquisition, upon the terms and conditions set forth in this Resolution, is in the best interests of the District and the residents thereof; and

WHEREAS, after issuance of the Subordinate Bonds, the District has \$31,560,000 authorized but unissued debt; and

WHEREAS, pursuant to §31-25-1209(e)(3), C.R.S., and §18-8-308, C.R.S., all known potential conflicting interests of the Board members were disclosed to the Colorado Secretary of State and to the Board in writing at least 72 hours in advance of this meeting; additionally, in accordance with §24-18-110, C.R.S., the appropriate Board members have made disclosure of their personal and private interests relating to the issuance of the Subordinate Bonds in writing to the Secretary of State and the Board; finally, the Board members have stated for the record prior to the adoption of this Resolution the fact that they have such interests and the summary nature of such interests and the participation of those Board members is necessary to obtain a quorum or otherwise

enable the Board to act; and

WHEREAS, the Board desires to authorize the issuance of the Subordinate Bonds and the execution of all documentation necessary to effect such issuance.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2, EAGLE COUNTY, COLORADO:

Section 1. Definitions.

As used herein, the following capitalized terms shall have the respective meanings set forth below, unless the context indicates otherwise.

"Ad Valorem Revenues" means the revenues attributable to the District's collection of any ad valorem property taxes.

"Assessed Valuation" means, on December 10th of any year, the certified assessed valuation of all taxable property within the District most recently calculated and recorded by the Eagle County Assessor.

"Bond Registrar" means the District or its successor, which shall perform the function of registrar with respect to the Subordinate Bonds.

"Capital Levy" means 35 mills adjusted to account for any changes in the rate of which real property is assessed occurring after the date the Subordinate Bonds are issued so that to the extent possible the actual tax revenues generated by the mill levy are not diminished or increased as a result of the change.

"Certified Public Accountant" means a certified public accountant within the meaning of §12-2-115, C.R.S., and any amendment thereto, licensed to practice in the State of Colorado.

"Code" means the Internal Revenue Code of 1986, or its successor provisions as amended at the time in question and the regulations promulgated thereunder.

"C.R.S." means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

"Developer" means Roark Partners, LLLP and its permitted successors and assigns.

"District" means the Buckhorn Valley Metropolitan District No. 2, Eagle County, Colorado.

"Event of Default" means any one or more of the events set forth in the Section hereof entitled "Events of Default."

"Federal Securities" means direct obligations of (including obligations issued or held in book entry form on the books of), or obligations the principal of and interest on which are guaranteed by, the United States of America.

"Fiscal Year" means January 1 to December 31.

"Interest Payment Date" means each December 15, commencing December 15, 2008.

"Owner" means the registered owner of any Bond, as shown by the registration books maintained by the Bond Registrar.

"Paying Agent" means the District or its successor, which shall perform the function of paying agent with respect to the Subordinate Bonds.

"Permitted Investments" means any investment or deposit the District is permitted to make under then-applicable law.

"Record Date" means the 15th day of the calendar month next preceding each Interest Payment Date.

"Resolution" means this Resolution that authorizes the issuance of the Subordinate Bonds.

"Senior Bonds" means the District's General Obligation Limited Tax Bonds, Series 2003, and any other obligations which will be paid on a prior basis to the Subordinate General Obligation Limited Tax Bonds.

"Service Obligation Mill Levy" means a mill levy imposed to pay the Services Costs (as defined in the Service Agreement) which shall be limited to 5 mills adjusted to account for any changes in the rate of which real property is assessed occurring after the date the Subordinate Bonds are issued so that to the extent possible the actual tax revenues generated by the mill levy are not diminished or increased as a result of the change.

"Subordinate Bond Account" means the "Buckhorn Valley Metropolitan District No. 2 Subordinate General Obligation Limited Tax Bonds Account, Series 2008," established by the provisions hereof for the purpose of paying the principal of, premium if any, and interest on the Subordinate Bonds.

"Subordinate Bonds" means the Buckhorn Valley Metropolitan District No. 2, Subordinate General Obligation Limited Tax Bonds, Series 2008, dated their date of delivery, issued in the aggregate principal amount not to exceed \$8,500,000, as authorized by this Resolution.

"Subordinate Pledged Revenues" shall have the meaning set forth in the recitals hereof.

"Special Record Date" means the record date for determining Bond ownership for purposes of paying defaulted interest; as such date may be determined pursuant to this Resolution.

"State" means the State of Colorado.

Section 2. Authorization. In accordance with the Constitution of the State of Colorado; Title 31, Article 25, Part 12 C.R.S.; the Supplemental Securities Act; the District's elections at which

the issuance of the Subordinate Bonds was approved; and all other laws of the State of Colorado thereunto enabling, the Subordinate Bonds shall be issued for the purpose of acquiring the Improvements.

Section 3. Subordinate General Obligation Limited Tax Bonds. The Subordinate Bonds shall constitute subordinate revenue obligations of the District as provided herein. All of the Subordinate Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable solely from and to the extent of the Subordinate Pledged Revenue, and the Subordinate Pledged Revenue is hereby pledged to the payment of the Subordinate Bonds. The Subordinate Bonds shall constitute an irrevocable lien upon the Subordinate Pledged Revenue, *subordinate* to the lien of any Senior Bonds.

Section 4. Subordinate Bond Details. The Subordinate Bonds shall be issued only as fully registered Bonds without coupons in minimum denominations of \$100,000 each and any integral multiple of \$5,000 in excess thereof, provided that (a) no individual Subordinate Bond may be in an amount which exceeds the principal amount coming due on the maturity date and (b) in the event a Subordinate Bond is partially redeemed and the unredeemed portion is less than \$100,000 such unredeemed portion of such Subordinate Bond may be issued in the largest possible denomination of less than \$100,000. Unless the District shall otherwise direct, the Subordinate Bonds shall be numbered separately from one upward, with the number of each Bond preceded by "R-".

The Subordinate Bonds shall be dated as of their date of delivery, and shall bear interest at a simple interest rate of six percent (6%) on the basis of a 360-day year of twelve 30-day months, payable annually on each December 15, commencing on December 15, 2008, and shall mature on December 1, 2038.

The actual net effective interest rate of the Subordinate Bonds does not exceed the maximum net effective rate of eighteen percent (18%). The total repayment cost and the maximum annual repayment costs of the Subordinate Bonds do not exceed the limitations of the District's voted authorization.

Section 5. Form and Execution of Subordinate Bonds. The Subordinate Bonds shall be signed with the facsimile or manual signature of the President of the District, sealed with a facsimile or manual impression of the seal of the District, and attested by the facsimile or manual signature of the Secretary of the District. Should any officer whose facsimile or manual signature appears on the Subordinate Bonds cease to be such officer before delivery of the Subordinate Bonds to a purchaser, such facsimile or manual signature shall nevertheless be valid and sufficient for all purposes.

The Subordinate Bonds may contain a reproduction of the opinion of nationally recognized municipal bond counsel as to the Subordinate Bonds and a certification of such opinion by the Secretary of the District.

The Subordinate Bonds shall be in substantially the form set forth in Appendix A hereto, with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the District executing the same (whose manual or facsimile signatures thereon shall

constitute conclusive evidence of such approval). Appendix A is an integral part of this Resolution and is incorporated herein as if set forth in full in the body of this Resolution.

Section 6. Authentication. No Subordinate Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Subordinate Bond substantially in the form set forth hereto in Appendix A shall have been duly executed by the Bond Registrar, and such executed certificate of the Bond Registrar upon any such Subordinate Bond shall be conclusive evidence that such Subordinate Bond has been authenticated and delivered under this Resolution. The Bond Registrar's certificate of authentication on any Subordinate Bond shall be deemed to have been executed if signed by an authorized officer or signatory of the Bond Registrar, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Subordinate Bonds issued hereunder.

Section 7. Delivery of Subordinate Bonds. The District shall execute the Subordinate Bonds and deliver them to the Bond Registrar, and the Bond Registrar shall authenticate the Subordinate Bonds and deliver them to the Owners thereof, as directed by the District.

Section 8. Registration, Exchange, and Restrictions on Transfer of Subordinate Bonds; Persons Treated as Owners. The Bond Registrar shall maintain the books of the District for the registration of ownership of each Subordinate Bond as provided in this Resolution. Subordinate Bonds may be exchanged at the principal office of the Bond Registrar for a like aggregate principal amount of Subordinate Bonds of the same maturity of other authorized denominations. Subordinate Bonds may be transferred upon the registration books upon delivery of the Subordinate Bonds to the Bond Registrar, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the Owner of the Subordinate Bonds to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Subordinate Bonds, along with the social security number or federal employer identification number of such transferee and an executed investment letter in substantially the form appended hereto as Appendix B. No transfer of any Subordinate Bond shall be effective until entered on the registration books.

No transfer of any Subordinate Bond shall be effective unless the transferee is an Accredited Investor as that term is defined in Rule 501 of the Securities Act of 1933. In all cases of the transfer of a Subordinate Bond, the Bond Registrar shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Subordinate Bond or Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the Owner is entitled to receive at the earliest practicable time. The Bond Registrar shall charge the Owner of a Subordinate Bond for every such transfer or exchange an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

The District and Bond Registrar shall not be required to issue or transfer any Subordinate Bonds: (a) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first business day following the ensuing interest payment date; or (b) during the period beginning at the opening of business on a date 45 days prior to the date of any redemption of Subordinate Bonds and ending at the opening of business on the first business day

following the day on which the applicable notice of redemption is mailed. The Bond Registrar shall not be required to transfer any Subordinate Bonds selected or called for redemption, in whole or in part.

New Subordinate Bonds delivered upon any transfer or exchange shall be valid obligations of the District, evidencing the same obligation as the Subordinate Bonds surrendered, shall be secured by this Resolution, and shall be entitled to all of the security and benefits hereof to the same extent as the Subordinate Bonds surrendered.

The District, the Paying Agent, and the Bond Registrar may deem and treat the registered Owner of any Subordinate Bond as the absolute owner thereof for all purposes (whether or not such Subordinate Bond shall be overdue), and any notice to the contrary shall not be binding upon the District, the Paying Agent, or the Bond Registrar.

Section 9. Payment of Subordinate Bonds; Paying Agent and Bond Registrar. The principal of and premium, if any, on the Subordinate Bonds are payable in lawful money of the United States of America to the Owner of each Subordinate Bond upon maturity or prior redemption and presentation at the principal office of the Paying Agent. The interest on any Subordinate Bond is payable to the person in whose name such Subordinate Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the District by the Bond Registrar, at the close of business on the Record Date, irrespective of any transfer or exchange of such Subordinate Bond subsequent to such Record Date and prior to such interest payment date; provided that any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Bond Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Owners of the Subordinate Bonds not less than 10 days prior to the Special Record Date by first-class mail to each such Owner as shown on the registration books kept by the Bond Registrar on a date selected by the Bond Registrar. Such notice shall state the date of the Special Record Date and the date fixed for the payment of such defaulted interest.

Interest payments shall be paid by check or draft of the Paying Agent mailed on or before the interest payment date to the Owners. The Paying Agent may make payments of interest on any Subordinate Bond by such alternative means as may be mutually agreed to between the Owner of such Subordinate Bond and the Paying Agent; provided that the District shall not be required to make funds available to the Paying Agent prior to the dates on which such interest would otherwise be payable hereunder, nor to incur any expenses in connection with such alternative means of payment.

Section 10. Prior Redemption.

(a) *Optional Redemption.* The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on any date upon payment of par and accrued interest, with no redemption premium.

(b) *General Redemption Provisions.* If less than all of the Subordinate Bonds within a maturity are to be redeemed on any prior redemption date, the Subordinate Bonds to be redeemed shall be selected by lot prior to the date fixed for redemption, in such manner as the Bond Registrar shall determine. The Subordinate Bonds shall be redeemed only in integral multiples of \$5,000. In the event a Subordinate Bond is of a denomination larger than \$5,000, or a portion of such Subordinate Bond may be redeemed, but only in the principal amount of \$5,000 multiples thereof. Such Subordinate Bond shall be treated for the purpose of redemption as that number of Subordinate Bonds which results from dividing the principal amount of such Subordinate Bond by \$5,000. In the event a portion of any Subordinate Bond is redeemed, the Bond Registrar shall, without charge to the Owner of such Subordinate Bond, authenticate and deliver a replacement Subordinate Bond or Bonds for the unredeemed portion thereof.

(c) *Notice of Redemption.* In the event any of the Subordinate Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the Subordinate Bonds or portions thereof to be redeemed will be given by the Bond Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid), not less than 30 days prior to the date fixed for redemption, to the Owner of each Subordinate Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the District by the Bond Registrar. The redemption of the Subordinate Bonds may be contingent or subject to such conditions as may be specified in the notice. Failure to give such notice by mailing to any Owner, or any defect therein, shall not affect the validity of any proceeding for the redemption of other Subordinate Bonds as to which no such failure or defect exists. All Subordinate Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

Section 11. Cancellation of Bonds. Whenever any Subordinate Bond shall be delivered to the Bond Registrar for cancellation pursuant to this Resolution and upon payment of the principal amount and interest represented thereby, or whenever any Subordinate Bond shall be delivered to the Bond Registrar for transfer or exchange pursuant to the provisions hereof, such Subordinate Bond shall be cancelled by the Bond Registrar and counterparts of a certificate of cancellation evidencing such cancellation shall be furnished by the Bond Registrar to the District.

Section 12. Lost Bonds. Any Subordinate Bond that is lost, stolen, destroyed, or mutilated may be replaced by the Bond Registrar in accordance with and subject to the limitations of applicable law. The applicant for any such replacement Subordinate Bond shall post such security, pay such costs, and present such proof of ownership and loss as may be required by applicable law, or in the absence of specific requirements, as may be required by the Bond Registrar.

Section 13. Investment of Proceeds; Tax Covenants. The Subordinate Bonds shall be issued for the purposes aforesaid. The Owners of the Subordinate Bonds shall not be responsible for the application or investment by the District or any of its officers of the funds used or invested to repay the Subordinate Bonds.

All or any portion of the Subordinate Pledged Revenues may be temporarily invested or reinvested in securities or obligations which are lawful investments. It is hereby covenanted and

agreed by the District that it will not make, or permit to be made, any use of any moneys treated as proceeds of the Subordinate Bonds within the meaning of the Code and applicable regulations, rulings, and decisions, or of the Subordinate Pledged Revenues or take, permit to be taken, or fail to take any action, which would adversely affect the exclusion from gross income of the interest on the Subordinate Bonds under Section 103 of the Code and applicable regulations, rulings, and decisions.

Section 14. Creation of Subordinate Bond Account. There is hereby created and established the Subordinate Bond Account, which shall be established as a line item account of the District's debt service fund or otherwise, and maintained by the District as designated in this Resolution. The Subordinate Bond Account shall be established as and held as an account of the District. There shall be deposited to the Subordinate Bond Account the amount of Subordinate Pledged Revenue which is available after payment of any principal and interest coming due on any Senior Bonds. Moneys credited to the Subordinate Bond Account shall be used solely to pay the principal of and interest on the Subordinate Bonds. The amount of Subordinate Pledged Revenues available to pay the Subordinate Bonds shall be transferred by the District to the Paying Agent prior to each Interest Payment Date.

When available, the Subordinate Pledged Revenues shall be deposited in the Subordinate Bond Account and applied solely for the payment of the principal of and interest on the Subordinate Bonds, respectively, until the Subordinate Bonds, as to both principal and interest, shall be fully paid, satisfied, and discharged.

Moneys credited to the Subordinate Bond Account may be invested or deposited by the District in accordance with the laws of the State of Colorado. The investment of moneys credited to the Subordinate Bond Account shall, however, be subject to the covenants and provisions of the Section hereof entitled "Disposition and Investment of Proceeds; Tax Covenants." Except to the extent otherwise required by such Section, all interest income from the investment or reinvestment of moneys credited to the Subordinate Bond Account shall remain in and become part of the Subordinate Bond Account

Section 15. No Initial Credits to Accounts. No Subordinate Bond proceeds are generated from the sale of the Subordinate Bonds. Payment of the costs of issuing the Subordinate Bonds have been approved by the Board to be paid from available revenues of the District.

Section 16. Payment of Principal and Interest. To the extent that the Subordinate Pledged Revenue is not sufficient to pay the principal of and interest on the Subordinate Bonds when due, available revenues shall be applied first to the payment of current and past due interest on the Subordinate Bonds and then to the payment of principal due on the Subordinate Bonds. Unpaid interest shall accrue.

Section 17. Additional Covenants. For so long as any Subordinate Bond is outstanding, the District hereby covenants as follows:

- (a) The District will operate and manage the District and its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations, and keep and maintain separate accounts of the receipts and expenses thereof in such manner that the Subordinate Pledged Revenue may at all times be readily and accurately

determined.

(b) At least once a year in the time and manner provided by law, the District will cause an audit to be performed of the records relating to District revenues and expenditures. In addition, at least once a year in the time and manner provided by law, the District will cause a budget to be prepared and adopted. Copies of the budget and the audit will be filed and recorded in the places, time, and manner provided by law.

(c) The District will carry public liability, and such other forms of insurance as would ordinarily be carried by entities having similar assets and business or governmental purposes.

(d) The District will cooperate fully with the Developer in any governmental process or procedure required to achieve development within the District.

(e) The District will not issue any additional Senior Bonds without the consent of the Owner.

Section 18. Defeasance. When all principal, interest, and premiums, if any, in connection with any Subordinate Bond have been duly paid, the pledge and lien and all obligations of the District hereunder with respect to such Bond shall thereby be discharged and such Bond shall no longer be deemed to be outstanding within the meaning of this Resolution. There shall be deemed to be such due payment when the District has placed in escrow and in trust with a commercial bank located within or without the State of Colorado, and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be initially invested) to meet all requirements of principal, interest, and premiums, if any, on such Subordinate Bond or Bonds, as the same become due to their final maturities or upon designated prior redemption dates. The Federal Securities shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the District and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. The sufficiency of the escrow shall be determined by a Certified Public Accountant.

Section 19. Events of Default. The occurrence or existence of any one or more of the following events shall be an Event of Default hereunder:

(a) the District defaults in the performance of any of its covenants in this Resolution, and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the District by the Beneficial Owners of 25% in aggregate principal amount of the Subordinate Bonds then outstanding; or

(b) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the debt represented by the Subordinate Bonds or any Senior Bonds.

Notwithstanding the foregoing, the failure of the District to make any interest payment on a Subordinate Bond when the same shall come due shall not constitute an "Event of Default" hereunder. Interest on such Subordinate Bond shall continue to accrue and shall be paid on the next Interest Payment Date when funds are available for such payment at a simple interest rate. If funds are insufficient to pay principal or any accrued interest on a Subordinate Bond at the maturity date

therefor, all such remaining but unpaid principal and interest amounts shall be extinguished and no further remedies shall be available to the holders thereof.

Section 20. Remedies For Events of Default. Upon the occurrence and continuance of an Event of Default, the Owner of any Bond may proceed to protect and enforce the rights of any Owner under this Resolution by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction. All such proceedings shall be instituted, had, and maintained for the equal benefit of all Owners of the Subordinate Bonds then outstanding.

Section 21. Permitted Amendments. The District may, with the consent of the Owners, adopt amendments or supplements to this Resolution and which amendments or supplements shall thereafter form a part hereof or thereof, as the case may be, for any one or more of the following purposes:

- (a) to cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in such documents, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under such documents, or to make any provisions for any other purpose, if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners of the Subordinate Bonds;
- (b) to subject to this Resolution or pledge to the payment of the Subordinate Bonds additional revenues, properties, or collateral; and
- (c) to grant or confer upon the Owners any additional rights, remedies, powers, or authority that may be lawfully granted to or conferred upon the Owners.

Section 22. Amendments Requiring Consent of Owners. The Owners of the Subordinate Bonds then outstanding shall have the right, from time to time, to consent to and approve the adoption by the District of amendments or supplements to this Resolution as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained therein; provided however, that without the consent of the Owners of all the Subordinate Bonds affected thereby, nothing herein contained shall permit, or be construed as permitting *any amendments or supplements to this Resolution, including the following:*

- (a) a change in the terms of the maturity of any Subordinate Bond, in the principal amount of any Subordinate Bond or the rate of interest thereon, or in the terms of prior redemption of any Subordinate Bond;
- (b) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of, premium if any, or interest on the Subordinate Bonds when due;
- (c) a privilege or priority of any Subordinate Bond or interest payment over any other Subordinate Bond or interest payment; or
- (d) a reduction in the percentage in principal amount of the Subordinate Bonds the consent of whose Owners is required for any such amendatory or supplemental resolution.

If at any time the District shall desire to adopt an amendatory or supplemental resolution or agreement for any of the purposes of this Section, the District shall cause notice of the proposed adoption of such amendatory or supplemental resolution or agreement to be given by mailing such

notice by certified or registered first-class mail to each Owner of a Subordinate Bond at the address shown on the registration books of the Bond Registrar, at least 30 days prior to the proposed date of adoption of any such amendatory or supplemental resolution or agreement. Such notice shall briefly set forth the nature of the proposed amendatory or supplemental resolution or agreement. If, on or after the last day of the time period prescribed by the District in the notice, the Owners of the Subordinate Bonds then outstanding at the time of the execution of any such amendatory or supplemental resolution or agreement shall have consented to and approved the execution thereof as herein provided, no Owner of any Subordinate Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the adoption and effectiveness thereof, or to enjoin or restrain the District from adopting the same or from taking any action pursuant to the provisions thereof.

Section 23. Effect of Amendment. Upon the execution of any amendatory or supplemental resolution or agreement pursuant to this Resolution, the resolution or agreement so amended or supplemented shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations thereunder of the District, any other parties thereto, the Bond Registrar, the Paying Agent, and all Owners of Subordinate Bonds then outstanding shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such modifications and amendments.

Section 24. Acceptance of Duties of Paying Agent and Bond Registrar. The District hereby accepts the duties of Paying Agent and Bond Registrar for the Subordinate Bonds and promises to discharge its duties in accordance with the provisions of this Resolution.

Section 25. Removal or Resignation of Bond Registrar or Paying Agent; Successors. The Paying Agent and Bond Registrar may resign, or may be removed by the District at any time, with or without cause. In the event of the removal or resignation of the Bond Registrar or Paying Agent, the District shall appoint a successor as soon thereafter as may be practicable, and in such event, shall give written notice thereof to each Owner by mailing to the addresses shown on the registration books for the Subordinate Bonds. Any successor Paying Agent shall:

- (a) be a trust company or bank in good standing located in or incorporated under the laws of the State of Colorado;
- (b) be duly authorized to exercise trust powers;
- (c) be subject to examination by a federal or state authority; and
- (d) maintain a reported capital and surplus of not less than \$10,000,000.

Section 26. Authorization to Execute Documents. The President and Secretary or any Assistant Secretary of the District shall, and they are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Resolution. The execution by the President of the District of any document authorized herein shall be conclusive proof of the approval by the District of the terms thereof.

Section 27. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Subordinate Bonds are hereby approved by the District and shall be paid from legally available moneys of the District as soon as is practicable, and such moneys are hereby

appropriated for that purpose.

Section 28. Holidays. If the date for making any payment or performing any action hereunder shall be a legal holiday or a day on which the principal office of the Paying Agent or Bond Registrar is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which the principal office of the Paying Agent or Bond Registrar is authorized or required by law to remain closed.

Section 29. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Subordinate Bonds as provided herein shall be governed by § 11-57-208 of the Supplemental Public Securities Act and this Resolution. The revenues pledged for the payment of the Subordinate Bonds, as received by or otherwise credited to the District or the Paying Agent shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues pledged for payment of the Subordinate Bonds and the obligation to perform the contractual provisions made herein shall have priority over any or all other obligations and liabilities of the District. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

Section 30. No Recourse Against Officers and Agents. Pursuant to § 11-57-209 of the Supplemental Public Securities Act, if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Subordinate Bonds. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Subordinate Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Subordinate Bond specifically waives any such recourse.

Section 31. Conclusive Recital. Pursuant to § 11-57-210 of the Supplemental Public Securities Act, the Subordinate Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Subordinate Bonds after their delivery for value.

Section 32. Limitation of Actions. Pursuant to § 11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Subordinate Bonds shall be commenced more than thirty days after the issuance or authorization of such securities, whichever occurs later.

Section 33. No Municipal Obligation. In accordance with § 31-25-1221, C.R.S., the Subordinate Bonds shall contain a recital that under no circumstances shall any of the Subordinate Bonds be held to be an indebtedness, an obligation, or a liability of the Eagle County, Colorado.

Section 34. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the District and the members of the Board, not inconsistent with the provisions of this

Resolution, relating to the authorization, issuance, and delivery of the Subordinate Bonds, are hereby ratified, approved, and confirmed.

Section 35. Resolution Irrepealable. After any of the Subordinate Bonds have been issued, this Resolution shall constitute a contract between the Owners and the District, and shall be and remain irrepealable until the Subordinate Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided.

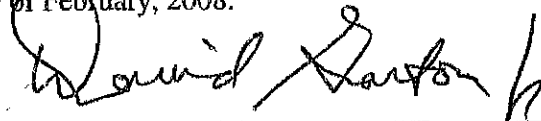
Section 36. Repealer. All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

Section 37. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

[Remainder of This Page Intentionally Left Blank]

Section 38. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this 7th day of February, 2008.
(SEAL)

By 
President

Attested:

By 
Secretary or Assistant Secretary

Thereupon, Director Gale moved the adoption of the foregoing resolution. The motion to adopt the resolution was duly seconded by Director Eaton, put to a vote, and carried on the following recorded vote:

Those voting AYE:

Dave Gorton, Sam Gale, & Herb Eaton

Those voting NAY:

None

Thereupon the President, as Chairman of the meeting, declared the Resolution duly adopted and the Secretary was directed to enter the foregoing proceedings and resolution upon the minutes of the Board.

Thereupon, after consideration of other business before the Board, the meeting was adjourned.

STATE OF COLORADO)
)
EAGLE COUNTY) ss.
)
BUCKHORN VALLEY)
METROPOLITAN DISTRICT NO. 2

I, Eric Weaver, Secretary of Buckhorn Valley Metropolitan District No. 2, Eagle County, Colorado, do hereby certify that the foregoing pages numbered 1 to 15 inclusive, constitute a true and correct copy of that portion of the record of proceedings of the Board of Directors of said District relating to the adoption of a Resolution ratifying the issuance of Subordinate General Obligation Limited Tax Bonds, Series 2008, adopted at a regular session of the Board held at 0044 Indian Heights, in Gypsum, Colorado on Wednesday, the 6th day of February, 2008, at the hour of 9:00 a.m., as recorded in the official record of proceedings of said District kept in my office; that the proceedings were duly had and taken; that the meeting was duly held; that the persons therein named were present at said meeting and voted as shown therein; and that a notice of meeting, in the form herein set forth above, was posted at one public place within the District at least one day prior to the meeting, in accordance with law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the District, this 7th day of February, 2008.

(SEAL)

By Eric Weaver
Secretary

APPENDIX A

[Form of Bond]

Restrictive Legend

Transfer of this Bond is restricted to Accredited Investors who have met the requirements set forth in the Investment Letter that is appended to the Bond Resolution authorizing issuance of this Bond.

No. R-1

\$8,500,000

**UNITED STATES OF AMERICA
STATE OF COLORADO
EAGLE COUNTY
BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2**

**Subordinate General Obligation Limited Tax Bonds,
Series 2008**

Interest Rate	Maturity Date	Dated
6.00%	December 1, 2038	February 13, 2008

REGISTERED OWNER: Roark Partners, LLLP

TAX IDENTIFICATION NUMBER: 84-1355470

PRINCIPAL AMOUNT: EIGHT MILLION FIVE HUNDRED THOUSAND DOLLARS AND
00/100-----

Buckhorn Valley Metropolitan District No. 2, in Eagle County, State of Colorado, a quasi municipal corporation and political subdivision of the State of Colorado duly organized and operating under the constitution and laws of the State of Colorado, for value received, hereby acknowledges itself indebted and promises to pay solely from and to the extent of the Subordinate Pledged Revenue (defined below), to the registered owner named above, or registered assigns, on the maturity date specified above or on the date of prior redemption, the principal amount specified above. In like manner the District promises to pay interest on such principal amount at a simple interest rate (computed on the basis of a 360-day year of twelve 30-day months) from the delivery date, at the interest rate per annum specified above, payable annually on December 15 of each year, commencing on December 15, 2008, until the principal amount and interest due thereon is paid at maturity or upon prior redemption. The principal of this Bond is payable in lawful money of the United States of America to the registered owner hereof upon maturity or prior redemption and presentation at the office of the District, or its successor, as Paying Agent.

The Bonds of this issue aggregate not to exceed \$8,500,000 par value, all of like date, tenor,

	A-1	1
--	-----	---

and effect except as to number and principal amount issued by the Board of Directors of Buckhorn Valley Metropolitan District No. 2, in the Eagle County and State of Colorado, for the purpose of paying the costs of acquiring the Improvements (as defined in the Bond Resolution) for the District, by virtue of and in full conformity with the Constitution of the State of Colorado; Title 31, Article 25, Part 12, C.R.S.; Title 11 Article 57, Part 2, C.R.S.; the District's voter authorization and all other laws of the State of Colorado thereunto enabling, and pursuant to the duly adopted Bond Resolution. This Bond is being issued pursuant to the authorizing authority of the Supplemental Public Securities Act. Under no circumstances shall the Bonds be held to be an indebtedness, an obligation, or a liability of the Eagle County, Colorado.

The Bonds shall be issued only as fully registered Bonds without coupons in minimum denominations of \$100,000 each and any integral multiple of \$5,000 in excess thereof provided that (a) no individual Bond may be in an amount which exceeds the principal amount coming due on any maturity date and (b) in the event a Bond is partially redeemed and the unredeemed portion is less than \$100,000, such unredeemed portion of such Bond may be issued in the largest possible denomination of less than \$100,000. Unless the District shall otherwise direct, the registered Bonds shall be numbered separately from one upward, with the number of each Bond preceded by "R-".

Payment of each installment of interest shall be made to the registered owner hereof whose name shall appear on the registration books of the District maintained by or on behalf of the District by the District, or its successor, as Bond Registrar, at the close of business on the 15th day of the calendar month next preceding each Interest Payment Date (the "Record Date"), and shall be paid by check or draft of the Paying Agent mailed on or before the Interest Payment Date to such registered Owner at his address as it appears on such registration books. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the registered Owner of such Bond and the Paying Agent as provided in the resolution authorizing the issuance of this Bond (the "Bond Resolution"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on the Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date (the "Special Record Date") established for the payment of any past due interest. Notice of the Special Record Date and the date fixed for the payment of past due interest shall be given by first-class mail to the registered Owner hereof as shown on the registration books on a Special Record Date selected by the Bond Registrar.

It is hereby recited, certified, and warranted that all of the requirements of law have been fully complied with by the proper officers of the District in issuing this Bond. It is hereby further recited, certified, and warranted that the total indebtedness of the District, including that of this Bond, does not exceed any limit prescribed by the constitution or laws of the State of Colorado; that at elections lawfully held within the District on May 2, 2000 and November 7, 2000, the issuance of this Bond was duly authorized by a majority of the electors of the District qualified to vote and voting at said election.

All of the Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable solely from and to the extent of the Subordinate Pledged Revenue, and the Subordinate Pledged Revenue is pledged to the payment of the Bonds. The Bonds shall constitute an irrevocable lien upon the Subordinate Pledged Revenue, *subordinate* to the lien of any Senior Bonds.

The Subordinate Pledged Revenue means, (a) amounts payable to the District as a result of its imposition of any ad valorem taxes pursuant to the Capital Levy as defined in the Bond Resolution and (b) any other legally available amounts designated by the District.

The principal of and interest on this Bond are payable solely from and to the extent of the Subordinate Pledged Revenue on a basis subordinate to any Senior Bonds and other obligations of the District specifically set forth in the Bond Resolution, which may or may not be sufficient to pay the principal of and interest on the Bonds. Failure of the District to make any interest payment on this Bond when the same shall come due shall not constitute an "Event of Default" under the Bond Resolution. If funds are insufficient to pay principal or any accrued interest on this Bond at the maturity date for this Bond, all such remaining but unpaid principal and interest amounts shall be extinguished and no further remedies shall be available to the holder of this Bond.

Reference is hereby made to the Bond Resolution for definitions of capitalized terms used but not defined herein, and for an additional description of the nature and extent of the security for the Bonds, the accounts and revenues pledged to the payment thereof, the rights and remedies of the registered owners of the Bonds, the manner in which the Bond Resolution may be amended, and the other terms and conditions upon which the Bonds are issued, copies of which are on file for public inspection at the office of the District Secretary.

Bonds of this issue, are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, and if less than an entire maturity is to be redeemed, then by lot within such maturity, on any date, upon payment of par and interest accrued to the date of redemption, without redemption premium.

The Bonds will be redeemed only in integral multiples of \$5,000. In the event a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in the principal amount of \$5,000 or any integral multiple thereof. Such Bond will be treated for the purposes of redemption as that number of Bonds which results from dividing the principal amount of such Bond by \$5,000. In the event a portion of this Bond is redeemed, the Bond Registrar shall, without charge to the registered Owner of this Bond, authenticate and deliver a replacement Bond or Bonds for the unredeemed portion.

Notice of prior redemption shall be given by mailing a copy of the redemption notice, not less

than 30 days prior to the date fixed for redemption, to the registered owner of this Bond at the address shown on the registration books maintained by the Bond Registrar, in the manner set forth in the Bond Resolution. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the notice. All Bonds called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

The District and Bond Registrar shall not be required to issue or transfer any Bonds: (a) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first business day following the ensuing interest payment date; or (b) during the period beginning at the opening of business on a date 45 days prior to the date of any redemption of Bonds and ending at the opening of business on the first business day following the day on which the applicable notice of redemption is mailed. The Bond Registrar shall not be required to transfer any Bonds selected or called for redemption, in whole or in part.

The District, the Paying Agent, and the Bond Registrar may deem and treat the registered Owner of this Bond as the absolute owner hereof for all purposes (whether or not this Bond shall be overdue), and any notice to the contrary shall not be binding upon the District, the Paying Agent, or the Bond Registrar.

This Bond may be exchanged at the principal office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations. Transfer of this Bond is restricted as provided in the Bond Resolution and in the restrictive legend affixed to this Bond. This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Bond Registrar, but only in the manner, subject to the limitations, including the submittal of a signed investment letter in substantially the form appended to the Bond Resolution, and upon payment of the charges provided in the Bond Resolution and upon surrender and cancellation of this Bond. This Bond may be transferred upon the registration books upon delivery to the Bond Registrar of this Bond, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the Owner of this Bond or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of the Bond, along with the social security number or federal employer identification number of such transferee. In the event of the transfer of this Bond, the Bond Registrar shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the registered Owner is entitled to receive at the earliest practicable time. The Bond Registrar shall charge the Owner of this Bond for every such transfer or exchange an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

If the date for making any payment or performing any action shall be a legal holiday or a day

on which the principal office of the Paying Agent or Bond Registrar is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which the principal office of the Paying Agent or Bond Registrar is authorized or required by law to remain closed.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the authorizing Bond Resolution until the certificate of authentication hereon shall have been signed by the Bond Registrar.

IN TESTIMONY WHEREOF, the Board of Directors of the Buckhorn Valley Metropolitan District No. 2 has caused this Bond to be signed by the manual or facsimile signature of the President of the District, sealed with a manual impression or a facsimile of the seal of the District, and attested by the manual or facsimile signature of the Secretary thereof, all as of February __, 2008.

(SEAL)

BUCKHORN VALLEY METROPOLITAN
DISTRICT NO. 2, EAGLE COUNTY, COLORADO

By _____
President

Attested:

By _____
Secretary

APPROVING LEGAL OPINION

Set forth below is a true copy of the approving legal opinion of Kline Alvarado Veio, P.C.:

\$8,500,000

Buckhorn Valley Metropolitan District No. 2
Eagle County, Colorado

Subordinate General Obligation Limited Tax Bonds, Series 2008

We have acted as bond counsel to the Buckhorn Valley Metropolitan District No. 2, Eagle County, Colorado acting by and through its Board of Directors (the "District") in connection with the issuance of its Subordinate General Obligation Limited Tax Bonds, Series 2008, dated February 13, 2008, in the aggregate principal amount of \$8,500,000 (the "Subordinate Bonds").

The Subordinate Bonds mature on the dates, are subject to optional redemption, bear interest at the rates, and are transferable and payable in the manner and subject to the conditions and limitations provided in the resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the Board of Directors of the District on February 6, 2008. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Bond Resolution.

We have examined the Constitution and laws of the State of Colorado, the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations, rulings and judicial decisions relevant to the opinions set forth in paragraphs 4 and 5 below; the provisions of the Securities Act of 1933, as amended, and the regulations, rulings and judicial decisions relevant to the opinion set forth in paragraph 6 below; and such certified proceedings, certificates, documents, opinions and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the representations of the District contained in the Bond Resolution and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law and as of the date hereof, that:

1. The certified record of proceedings authorizing issuance of the Subordinate Bonds shows lawful authority for the Bonds under the Constitution and laws of the State of Colorado now in force. The Bond Resolution has been duly authorized, is in full force and effect, and is valid and enforceable in accordance with its terms.

2. The Subordinate Bonds in the principal amount stated above are valid and binding subordinate revenue obligations of the District, legally enforceable in accordance with their terms.

3. The Subordinate Bonds are secured by the Subordinate Pledged Revenue (as defined in the Bond Resolution). The Subordinate Bonds constitute an irrevocable lien upon the Subordinate Pledged Revenue subordinate to the lien of the District's Senior Bonds, if any.

4. Under the statutes, regulations, rulings and judicial decisions existing on the date hereof, interest on the Subordinate Bonds is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence assume compliance by the District with certain requirements of the Code that must be met subsequent to the issuance of the Subordinate Bonds. Failure to comply with such requirements could cause such interest to be includible in gross income for federal income tax purposes retroactive to the date of issuance of the Subordinate Bonds. The District has covenanted in the Bond Resolution to comply with such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Subordinate Bonds.

5. Under State of Colorado statutes existing on the date hereof, the Subordinate Bonds and the interest income therefrom are exempt from Colorado income tax. We express no opinion regarding other tax consequences arising with respect to the Subordinate Bonds under the laws of the State of Colorado or any other state or jurisdiction.

6. The Subordinate Bonds are exempt from registration under the Securities Act of 1933, as amended.

The rights of the owners of the Subordinate Bonds and the enforceability of the Subordinate Bonds and the Bond Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

/s/ Kline Alvarado Veio, P.C.

I, _____, the undersigned Secretary of the Buckhorn Valley Metropolitan District No. 2, do hereby certify that the foregoing approving opinion of Kline Alvarado Veio, P.C., Denver, Colorado, is a true and complete copy of a manually executed and dated copy thereof on file in the official records of the District.

By _____
Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Bond Resolution.

Date of Registration and Authentication
BUCKHORN VALLEY METROPOLITAN
DISTRICT NO. 2, as Bond Registrar

February __, 2008

By _____
Authorized Signatory

[Form of Transfer for Bonds]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto

Social Security Or Federal Employer
Identification Number Of Assignee

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____,
attorney, to transfer said Bond on the books kept for registration thereof with full power of
substitution in the premises.

Dated: _____

SPECIMEN

Signature of Registered Owner:

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature guaranteed:

(Bank, Trust Company, or Firm)

APPENDIX B

[Form of Investment Letter]

February __, 2008

Buckhorn Valley Metropolitan District No. 2
Eagle County, Colorado

\$8,500,000
Buckhorn Valley Metropolitan District No. 2
Eagle County, Colorado
Subordinate General Obligation Limited Tax Bonds
Series 2008

Ladies and Gentlemen:

In connection with the purchase or acquisition by us of the above-described bonds (the "Bonds"), we hereby certify as follows:

1. We understand that we will not receive from Buckhorn Valley Metropolitan District No. 2 (the "Issuer"), its governing body, its members or any of its officers, employees or agents, any information with respect to the Bonds, the provisions for payment thereof, the security therefor or the sufficiency of such security for payment thereof, except information that is contained in the Bond Resolution authorizing the issuance of the Bonds (the "Resolution") a copy of which has been provided to us and reviewed by us prior to our receipt of the Bonds.

2. The Issuer, counsel for the Issuer, its governing body, its members or any of its officers, employees or agents will not have any responsibility to us for the accuracy or completeness of information obtained by us from any source regarding the Issuer, or regarding the Bonds, the provisions for payment thereof, or the sufficiency of any security therefor, including, without limitation, any information specifically provided by any of such parties contained in the Bond Resolution. We acknowledge that we have assumed responsibility for obtaining such information and making such review as we have deemed necessary or desirable in connection with our decision to acquire the Bonds.

3. We have been offered copies of or full access to all documents relating to the Bonds and all records, reports, financial statements and other information concerning the Issuer and pertinent to the source of payment for the Bonds which we, as a reasonable investor, have requested

	B-1	
--	-----	--

and to which we, as a reasonable investor, would attach significance in making an investment decision. We have been afforded the opportunity to ask such questions of representatives of the Issuer as we have deemed necessary in making our investment decision; and we have based our decision to acquire the Bonds solely on our own investigation, including, without limitation, our review of such documents, records, reports, financial statements and other information concerning the Issuer and discussions with representatives of the Issuer.

4. We are "accredited investors" as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission. As such accredited investors, we are either: (a) a bank, savings and loan association, investment company, plan established and maintained by a state, an employee benefit plan; (b) a private business development company as described in the Investment Advisors Act of 1940; (c) an organization, corporation or similar business trust or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000; (d) a director, executive officer, or general partner of the issuer of the securities being offered or sold; (e) a natural person with a net worth, or joint net worth with a spouse, of at least \$1,000,000; (f) a natural person with an individual income in excess of \$200,000 in each of the two most recent years or joint income with a spouse in excess of \$300,000 in each of those years and have a reasonable expectation of reaching the same income level in the current year; (g) a trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person; or (h) an entity, the equity owners of which are all accredited investors.

5. The Bonds have been acquired for our own account; however, we reserve the right to the transfer or resale thereof, and we recognize that the Bonds are subject to the restrictions on transfer imposed by the Bond Resolution.

6. We understand that the Bonds have not been registered with any federal or state securities agency or commission.

7. We have carefully read the Bond Resolution in its entirety and understand the risks described therein and understand and acknowledge that there exist risks with respect to the Bonds that are not described therein.

8. We acknowledge that no credit rating has been sought or obtained with respect to the Bonds, and we acknowledge that the Bonds are a speculative investment and that there is a high degree of risk in such investment. We acknowledge that the Bonds are subordinate obligations of the District and that the revenues pledged to payment of the Bonds may not be sufficient to fully repay the Bonds.

9. We acknowledge that we have read the form of approving opinion of Bond Counsel regarding the Bonds and that Bond Counsel has not provided to us any advice with regard to the tax implications to us of acquiring or owning the Bonds.

10. We acknowledge that the transfer of the Bonds will be restricted pursuant to the terms of the Bond Resolution.

The foregoing representations shall survive the execution and delivery to us of the Bonds and the instruments and documents contemplated thereby.

By _____

Name _____

Title _____