CERTIFIED RECORD

OF

PROCEEDINGS OF

THE BOARD OF DIRECTORS

OF

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
(IN THE TOWN OF GYPSUM)
EAGLE COUNTY, COLORADO

Relating to a Resolution Authorizing (Subject to Delegation Parameters) the Issuance of:

General Obligation Limited Tax Refunding and Improvement Bonds
Series 2010

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

(Attach copy of notice of meeting, as posted)

NOTICE OF SPECIAL MEETING
BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 1
BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
May 13, 2010

NOTICE IS HEREBY GIVEN that the Boards of Directors of the **BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 1 AND BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2,** of the County of Eagle, State of Colorado, will hold a consolidated special meeting at 8:00 A.M., on Thursday, May 13, 2010, at 11 Bridger Drive, Gypsum, Colorado 81637, at which meeting it is anticipated that the Board of Directors of Buckhorn Valley Metropolitan District No. 2 will make a final determination to issue Limited Tax General Obligation Refunding and Improvement Bonds, Series 2010 (which shall partially refund Series 2003) in the principal amount not to exceed $8,500,000, for the purpose of paying the Project Costs, providing capitalized interest for the payment of a portion of the interest on the Bonds and paying other costs in connection with the issuance of the Bonds, to execute any and all documentation related thereto, and to conduct such business as may come before the Board. This meeting may be conducted pursuant to the provisions of the Supplemental Public Securities Act. This meeting is open to the public.

Agenda

1. Call to Order
2. Declaration of Quorum/Directors Matters/Disclosure Matters
   a. Administer Director's Oaths of Office, as necessary
   b. Election of Officers
3. Approval of Agenda
4. Legal Matters
5. Final Determination to Issue and Refund Bonds
   a. The Board of Directors of Buckhorn Valley Metropolitan District No. 2 intends to make a final determination to issue Limited Tax General Obligation Refunding and Improvement Bonds, Series 2010 (which shall partially refund Series 2003) in the principal amount not to exceed $8,500,000, for the purpose of paying the Project Costs, providing capitalized interest for the payment of a portion of the

interest on the Bonds and paying other costs in connection with the issuance of the Bonds, to execute any and all documentation related thereto, and to conduct such business as may come before the Board.

6. Other Business
7. Adjourn

BY ORDER OF THE BOARDS OF DIRECTORS:
BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 1
BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2

By: /s/ ICENOGLE ◆ NORTON
SMITH ◆ GILIDA ◆ POGUE
A Professional Corporation

General Counsel to the Districts

NOTICE OF SPECIAL MEETING
BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 1
BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2

May 24, 2010

NOTICE IS HEREBY GIVEN that the Boards of Directors of the **BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 1 AND BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2,** of the County of Eagle, State of Colorado, will hold a consolidated special meeting at 3:30 P.M., on Monday, May 24, 2010, at 11 Bridger Drive, Gypsum, Colorado 81637, at which meeting it is anticipated that the Board of Directors of Buckhorn Valley Metropolitan District No. 2 will make a final determination to issue Limited Tax General Obligation Refunding and Improvement Bonds, Series 2010 (which shall partially refund Series 2008) in the principal amount not to exceed $8,500,000, for the purpose of paying the Project Costs, providing capitalized interest for the payment of a portion of the interest on the Bonds and paying other costs in connection with the issuance of the Bonds, to execute any and all documentation related thereto, and to conduct such business as may come before the Board. This meeting may be conducted pursuant to the provisions of the Supplemental Public Securities Act. This meeting is open to the public.

Agenda

1. Call to Order
2. Declaration of Quorum/Directors Matters/Disclosure Matters
3. Approval of Agenda
4. Final Determination to Issue and Refund Bonds
    a. The Board of Directors of Buckhorn Valley Metropolitan District No. 2 intends to make a final determination to issue Limited Tax General Obligation Refunding and Improvement Bonds, Series 2010 (which shall partially refund Series 2008) in the principal amount not to exceed $8,500,000, for the purpose of paying the Project Costs, providing capitalized interest for the payment of a portion of the interest on the Bonds and paying other costs in connection with the issuance of the Bonds, to execute any and all documentation related thereto, and to conduct such business as may come before the Board.

5. Other Business
6. Adjourn

BY ORDER OF THE BOARDS OF DIRECTORS:
BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 1
BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2

By: /s/ ICENOGLE ◆ NORTON
SMITH ◆ GILIDA ◆ POGUE
A Professional Corporation

General Counsel to the Districts

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At the special meeting on May 13, 2010, thereupon, Director __________ moved the adoption of the foregoing resolution. The motion to adopt the resolution was duly seconded by Director __________ put to a vote, and carried on the following recorded vote:

Those voting AYE:	Samantha Gale Gayl Hill David Garton, Jr.
Those voting NAY:	None

At the special meeting on May 24, 2010, thereupon, Director Garton, Jr. moved to amend, ratify and confirm the foregoing resolution. The motion to amend, ratify and confirm the resolution was duly seconded by Director Hill put to a vote, and carried on the following recorded vote:

Those voting AYE:	Samantha Gale Gayl Hill David Garton, Jr.
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.

The Board of Directors of Buckhorn Valley Metropolitan District No. 2, Eagle County, Colorado, met in a special session of the Board on the 13th day of May, 2010, at the hour of 8:00 a.m., at the office of 11 Bridger Drive, Gypsum, Colorado 81637.

The following members of the Board of Directors were present in person or by telephone, constituting a quorum:

President:	Samantha Gale
Secretary/Treasurer:	Gayl Hill
Assistant Secretary:	David Garton, Jr.

Also present:

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

None

The Board of Directors of Buckhorn Valley Metropolitan District No. 2, Eagle County, Colorado, met in a special session of the Board on the 24th day of May, 2010, at the hour of 3:30 p.m., at the office of 11 Bridger Drive, Gypsum, Colorado 81637.

The following members of the Board of Directors were present in person or by telephone, constituting a quorum:

President:	Samantha Gale
Secretary/Treasurer:	Gayl Hill
Assistant Secretary:	David Garton, Jr.

Also present:

Tamara Gilida, Esq., District Counsel
Kenneth A. Guckenberger, Esq., Kutak Rock LLP
Alan Matlosz, George K. Baum & Company
John Hill, Buckhorn Valley Development LLC

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

None

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

RESOLUTION

WHEREAS, Buckhorn Valley Metropolitan District No. 2, Eagle County, Colorado (the "District"), is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado; and

WHEREAS, at elections of the qualified electors of the District, duly called and held, respectively, on May 2, 2000, November 7, 2000 and November 7, 2006 (collectively, the "Elections"), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Elections voted in favor of, inter alia, the issuance of District indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities; and

WHEREAS, the returns of the Elections were duly canvassed and the result thereof duly declared; and

WHEREAS, the results of the Elections were certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to § 32-1-204.5, C.R.S. within forty five days after the Elections, respectively, and with the division of securities created by § 11-51-701, C.R.S.; and

WHEREAS, the District has previously issued its General Obligation Limited Tax Bonds, Series 2003 (the "2003 Bonds") pursuant to a resolution dated March 3, 2003 (the "2003 Resolution") and such 2003 Bonds are currently outstanding in the aggregate principal amount of $2,060,000; and

WHEREAS, in addition, the District has heretofore authorized, issued, and sold its Subordinate General Obligation Limited Tax Refunding and Improvement Bonds, Series 2008 (the "2008 Bonds"), originally issued in the aggregate principal amount of $8,500,000 and currently outstanding in the aggregate principal amount of $8,500,000, pursuant to a resolution of the District approved by the Board on February 6, 2008 (the "Bond Resolution"); and

WHEREAS, the Board of Directors of the District (the "Board") has heretofore determined and does hereby determine that it is in the best interests of the District, and the residents and taxpayers thereof, there shall be issued General Obligation Limited Tax Refunding and Improvement Bonds, Series 2010, dated their date of delivery, in the total principal amount not to exceed $7,370,000 (the "Bonds" or the "2010 Bonds"); and

WHEREAS, the 2003 Resolution permits issuance of additional Parity Lien Bonds if the total of the outstanding 2003 Bonds and the Additional Parity Bonds is 50% or less of the certified valuation for assessment of all taxable property of the District and pursuant to the most recent certified valuation, the Bonds will be Additional Parity Bonds under the 2003 Resolution; and

WHEREAS, the 2008 Bonds are subject to redemption prior to maturity, at the option of the District, on any date, at a price equal to the principal amount or portion thereof of the 2008 Bonds so redeemed, plus accrued interest thereon to the date of redemption, without redemption premium; and

WHEREAS, the District also seeks to refund the Refunded Note (as defined herein) along with a portion of the 2008 Bonds pursuant to a Subordination Agreement by and between the District, Buckhorn Valley Metropolitan District No. 1 ("District No.1") and Roark Partners LLLP ("Roark Partners"), the holder of both the 2008 Bonds and the Refunded Note the "Subordination Agreement").

WHEREAS, after extended discussions and consultation, it has been determined by the Board that by entering into and completing a refunding program at this time with respect to a portion of the 2008 Bonds and the Refunded Note (collectively, the "Refunded Bonds"), the Board can effect certain economies; and

WHEREAS, at to the Elections, a majority of those qualified to vote and voting at the Elections voted in favor of, inter alia, the issuance of District indebtedness for the refunding of outstanding bonds of the District, such indebtedness to bear interest at a rate which may be higher than the interest rate borne by the bonds being refunded; and

WHEREAS, in addition, the Board has heretofore determined that it is necessary to pay the costs of acquiring, constructing and installing a portion of the facilities the debt for which was approved by the Elections (as more particularly defined in Section 1.01 hereof, the "Project") for the District and its inhabitants; and

WHEREAS, the Bonds are to be issued pursuant to the provisions of Title 32, Article 1, Parts 11 and 13, C.R.S., and all other laws thereunto enabling; and

WHEREAS, the Board specifically elects to apply the provisions of Title II, Article 57, Part 2, C.R.S. (the "Supplemental Act"), to the Bonds; and

WHEREAS, the Bonds are limited tax general obligations of the District and shall be payable solely from and to the extent of the Pledged Revenue (defined herein); and

WHEREAS, the Board has determined that, based upon the anticipated use of the Bond proceeds, such amount shall be allocated to the Elections, and after issuance of the Bonds the District shall have the authorized but unissued indebtedness for public improvements remaining from the Elections, all as set forth below, provided that such allocation is based upon the Board's estimates of the use of proceeds at the time of issuance of the Bonds, that actual uses of proceeds may vary from this estimate within the limitations of the Elections, and that such variance shall not require an amendment to this Resolution or notice to or consent of any person:

Capital Improvement Purpose	Principal Amount of Authorization Voted	Principal Amount of Authorization Used for 2003 and Refunded Bonds	Principal Amount of Authorization Used for Bonds	Principal Amount of Authorization Remaining
Streets	$ 11,985,000	$ 3,761,387	$1,583,900	$ 6,639,713
Traffic and Safety	2,000,000	22,638	0	1,977,362
Water	9,975,000	4,568,301	943,600	4,463,099
Sanitation	6,650,000	1,531,211	640,500	4,478,289
Parks and Recreation	7,980,000	570,895	202,000	7,207,105
Television Relay	1,000,000	41,793	0	958,207
Mosquito Control	500,000	0	0	500,000
Operations and Maintenance	5,500,000	503,775	0	4,996,225
Refunding	42,560,000	0	4,000,000	38,560,000
Total	$88,150,000	$11,000,000	$7,370,000	$69,780,000

WHEREAS, the Bonds initially shall be issued in denominations of $500,000 each, and in integral multiples above $500,000 of not less than $1,000 each, and will be exempt from registration under the Colorado Municipal Bond Supervision Act, being Title 11, Article 59, C.R.S.; and

WHEREAS, pursuant to the provisions of § 32-1-1101(6)(a)(VI), C.R.S., the Bonds are being issued only to "financial institutions or institutional investors" as such terms are defined in § 32-1-103(6.5), C.R.S.; and

WHEREAS, the Bonds shall be issued pursuant to the provisions of Title 32, Article 1, Parts 11 and 13, C.R.S., and all other laws thereunto enabling; and

WHEREAS, the Board specifically elects to apply the provisions of Title 11, Article 57, Part 2, C.R.S., to the Bonds; and

WHEREAS, the Bonds are limited tax general obligations of the District payable from the ad valorem taxes of the District; and

WHEREAS, there has been presented to this meeting of the Board a proposal (the "Bond Purchase Agreement") from George K. Baum & Co., Denver, Colorado (the "Underwriter"), to purchase the Bonds upon the terms and conditions set forth therein; and

WHEREAS, after consideration, the Board has determined that the sale of the Bonds to the Underwriter upon the terms and conditions set forth in the Bond Purchase Agreement is in the best interests of the District and the residents thereof subject to the delegation to the President, acting as the Sale Delegate, of the authority to issue such bonds upon satisfaction of the parameters described herein; and

WHEREAS, pursuant to § 32-1-902(3), C.R.S., and § 18-8-308, C.R.S., all known potential conflicting interests of the members of the Board who took official action at this meeting (the "Directors") 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 Directors have made disclosure of their personal and private interests relating to the issuance of the Bonds, in writing to the Secretary of State and the Board; finally, all such Directors have stated for the record immediately prior to the adoption of this Resolution the fact that they have said interests and the summary nature of such interests and the participation of the Directors is necessary to obtain a quorum or otherwise enable the Board to act; and

WHEREAS, in addition to this Resolution, the Board has been presented with the Preliminary Limited Offering Memorandum, and with substantially final drafts of: (i) the Paying Agent and Registrar Agreement; (ii) the Bond Purchase Agreement; (iii) the Continuing Disclosure Undertaking; (iv) the Subordination Agreement and (v) substantially final forms of other documents and certificates necessary to the issuance of the Bonds; and

WHEREAS, the Board desires to authorize the issuance and sale of the Bonds in accordance with the provisions of this Resolution, the Subordination Agreement and the Bond Purchase Agreement, as well as the approval and execution of the aforementioned certificates, resolutions, amendments, and agreements, and the completion and execution of any such documents necessary to effect the intent of this Resolution.

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

Section 1. Definitions. Capitalized undefined terms in this Resolution shall have the meaning set forth in the 2003 Resolution and, to the extent not defined below, in the Whereas clauses above. As used herein, the following capitalized terms shall have the respective meanings set forth below, unless the context indicates otherwise:

"*2010 Reserve Fund*" means the "Buckhorn Valley Metropolitan District No. 2 Limited Tax General Obligation Refunding and Improvement Bonds, Series 2010, Reserve Fund," established by the provisions hereof and held by the Escrow Agent as security for the Bonds.

"*2010 Surplus Account*" means the "Buckhorn Valley Metropolitan District No. 2 Limited Tax General Obligation Refunding and Improvement Bonds, Series 2010, 2010 Surplus Account," established by the provisions hereof for the purposes set forth herein.

"*Act*" means Title 32, Article 1, Parts 11 and 13, C.R.S.

"*Beneficial Owner*" means any person for which a Participant acquires an interest in the Bonds.

"*Bond Account*" means the Bond Account created pursuant to the 2003 Resolution to pay the 2003 Bonds and any Parity Lien Bonds, such as the 2010 Bonds.

"*Bond Purchase Agreement*" means the Bond Purchase Agreement between the Underwriter and the District pursuant to which the Underwriter agrees to purchase the Bonds upon the terms and conditions set forth therein.

"*Bond Registrar*" means UMB Bank, n.a., Denver, Colorado, or its successor, which shall perform the function of registrar with respect to the Bonds.

"*Bonds*" means the District's General Obligation Limited Tax Refunding and Improvement Bonds, Series 2010, dated their date of delivery, in the total principal amount not to exceed $7,370,000.

"*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.

"*Closing Date*" means such date as designated by the Sale Delegate.

"*Code*" means the Internal Revenue Code of 1986, as amended to the date of issuance of the Bonds.

"*Continuing Disclosure Undertaking*" means the Continuing Disclosure Undertaking to be executed by the District on the Closing Date.

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

"*DTC*" means The Depository Trust Company ("DTC"), New York, New York, and its successors and assigns.

"*Escrow Agent*" means UMB Bank, n.a., Denver, Colorado, or its successor, which shall perform the function of escrow agent under this Resolution.

"*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.

"*Interest Payment Date*" means each June 1 and December 1 in any year the Bonds are Outstanding, commencing December 1, 2010.

"*Limited Offering Memorandum*" means the Limited Offering Memorandum relating to the Bonds.

"*Maximum Surplus Amount*" means $500,000.

"*Outstanding or Outstanding Bonds*" means, as of any particular time, all Bonds which have been duly authenticated and delivered by the Paying Agent under this Resolution, except:

(a) Bonds theretofore cancelled by the Bond Registrar or delivered to the Bond Registrar for cancellation because of payment at maturity or prior redemption;

(b) Bonds which have been defeased pursuant to the applicable provisions of Section 22 hereof; and

(c) Bonds in lieu of which other Bonds have been authenticated and delivered pursuant to Section 10 or Section 12 hereof.

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

"*Parity Lien Bonds*" means the 2003 Bonds, the 2010 Bonds and any additional Parity Lien Bonds issued pursuant to this Resolution.

"*Participant*" means any broker-dealer, bank or financial institution from time to time for which DTC or another depository holds the Bonds.

"*Paying Agent*" means UMB Bank, n.a., Denver, Colorado, or its successor, which shall perform the function of paying agent with respect to the Bonds.

"*Paying Agent and Registrar Agreement*" means the Paying Agent and Registrar Agreement by and between the District and the Paying Agent.

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

"*Person*" means a corporation, firm, other body corporate, partnership, association or individual and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

"*Pledged Revenue*" the following moneys and revenues pledged by the District to the payment of the Bonds: (i) the ad valorem property taxes generated from the Required Mill Levy; (ii) Specific Ownership Taxes; (iii) amounts on deposit, if any, in the Surplus Account; and (iv) any other legally available funds of the District deposited or required to be deposited to the Bond Account pursuant to the provisions of this Resolution.

"*Preliminary Limited Offering Memorandum*" means the Preliminary Limited Offering Memorandum concerning the Bonds, which will be superseded and replaced in its entirety by the Limited Offering Memorandum.

"*Project*" means the acquisition, construction and installation of public facilities the debt for which was approved at the District Elections held May 2, 2000 and November 7, 2000.

"*Project Account*" means the "Buckhorn Valley Metropolitan District No. 2 General Obligation Limited Tax Refunding and Improvement Bonds, Series 2010, Project Account," established by the provisions hereof for the purpose of paying the costs of the Project.

"*Record Date*" means the fifteenth day of the calendar month next preceding each Interest Payment Date.

"*Redemption Date*" means the date designated by the Sale Delegate.

"*Refunded Note*" means the note issued by District No. 1 to Roark Partners LLLP in the original principal amount of $82,411 evidencing District No. 1's repayment obligation with respect to advances made by Roark Partners LLLP to District No. 1.

"*Required Mill Levy*" means:

(a) Subject to paragraph (b) below, a rate of ad valorem property tax levy expressed in mills (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the 2010 Bonds, the 2003 Bonds and any other Parity Lien Bonds as the same become due and payable, to fund the 2010 Reserve Fund in an amount up to the Reserve Requirement, but not in excess of 40 mills, and, for so long as (i) the Surplus Account is less than the Maximum Surplus Amount or (ii) the 2008 Bonds are outstanding, not less than 40 mills; provided however, that in the event the method of calculating assessed valuation is or was changed after January 11, 2000, the maximum and minimum mill levy provided herein shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues realized from the mill levy, as adjusted, are neither diminished nor enhanced from those which would have been realized without such changes in calculation method. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) Notwithstanding anything herein to the contrary, in no event shall the Required Mill Levy be established at a rate which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

"*Reserve Requirement*" means the amount of $300,000 which is the required amount of the 2010 Reserve Fund.

"*Resolution*" means this Resolution which authorizes the issuance of the Bonds.

"*Revenue*" means the revenue derived directly or indirectly by the District (including any interest income thereon) from: (i) the imposition of the Required Mill Levy; and (ii) the Specific Ownership Taxes.

"*Sale Certificate*" means the certificate executed by the Sale Delegate under the authority delegated to him/her pursuant to the Section of this Resolution entitled "Delegated Authority and Parameters."

"*Sale Delegate*" means the President of the Board.

"*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.

"*Specific Ownership Taxes*" means all amounts paid to the District by Eagle County, Colorado with respect to taxes collected on motor vehicle registrations.

"*State*" means the State of Colorado.

"*Subordinate Bonds*" means bonds, notes, debentures, or other multiple fiscal year financial obligations having a lien upon the Pledged Revenue or any part thereof junior and subordinate to the lien thereon of the Bonds. Any Subordinate Bonds hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District. For purposes of this Resolution any 2008 Bonds not refunded with the proceeds of the Bonds shall be Subordinate Bonds.

"*Supplemental Public Securities Act*" means Title 11, Article 57, Part 2, C.R.S.

"*Surplus Account*" the "Buckhorn Valley Metropolitan District No. 2 Surplus Account," created pursuant to Section 18 for the purpose of paying the principal of, premium if any, and interest on the 2010 Bonds, 2003 Bonds and any Parity Lien Bonds, if necessary.

"*Underwriter*" means George K. Baum & Co., Denver, Colorado, the original purchaser of the Bonds.

Section 2. Authorization. In accordance with the Constitution of the State of Colorado; the Special District Act; the Supplemental Public Securities Act; and all other laws of the State thereunto enabling, there shall be issued the Bonds for the purpose of paying costs of the Project, refunding the Refunded Bonds and pay costs of issuance of the Bonds.

Section 3. Security for the Bonds. The 2010 Bonds shall be limited tax obligations of the District payable to the extent of the Required Mill Levy on a parity with the 2003 Bonds and any additional Parity Lien Bonds. All of the Parity Lien Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable solely from and to the extent of the Pledged Revenue, and the Pledged Revenue is hereby pledged to the payment of the Bonds pursuant to and in accordance with Title 32, Article 1, C.R.S.; Section 11-57-208, C.R.S.; and all other laws of the State. The Parity Lien Bonds shall constitute an irrevocable first lien upon the Pledged Revenue, but not necessarily an exclusive such lien. The Pledged Revenue may or may not be sufficient to pay the principal of and interest on the Bonds, and no representation is made by the District or the employees, agents, or attorneys for the District that the Pledged Revenue will be sufficient to pay the principal of and interest on the Parity Lien Bonds.

Section 4. Bond Details.

(a) ***Principal Amount, Registered Form, Denominations, Dated Date and Numbering***. The aggregate principal amount of the Bonds shall be in an amount not to exceed $7,370,000. The Bonds shall be issued in fully registered form without coupons, shall be dated the date of issuance, and shall be issued in minimum denominations of $500,000 each or any integral multiple of $1,000 in excess thereof, provided that no individual Bond may be in an amount which exceeds the principal amount coming due on any maturity date. Unless the District shall otherwise direct, the registered Bonds shall be numbered separately from 1 upward, with the number of each Bond preceded by "R-."

(b) ***Delegated Authority and Parameters***.

(i) Pursuant to §11-57-205, C.R.S., the Board hereby delegates to the Sale Delegate the authority to determine and set forth in the Sale Certificate, at the Sale Delegate's final determination: (i) the matters set forth in subsection (ii) of this Section, subject to the applicable parameters set forth in subsection (iii) of this Section. The Board hereby delegates to the Sale Delegate the authority to execute the Bond Purchase Agreement and the Sale Certificate in accordance with such determinations. Upon the execution of the Sale Certificate, the matters set forth in the Sale Certificate shall be incorporated into this Resolution with the same force and effect as if they had been set forth herein when this Resolution was adopted.

(ii) The Sale Certificate shall set forth the following matters and other matters permitted to be set forth therein pursuant to subsection (i) of this Section, but each such matter must fall within the applicable parameters set forth in subsection (iii) of this Section:

(A) the rate or rates of interest on the Bonds;

(B) the terms on which and the prices at which the Bonds may be redeemed prior to maturity, including, without limitation, the principal amounts of the Bonds subject to mandatory sinking fund redemption and the years in which such Bonds will be subject to such redemption;

(C) the price or prices at which the Bonds will be sold;

(D) the dates on which principal and interest shall be paid;

(E) the total par amount of the Bonds and the amount of principal maturing in any particular year; and

(F) the date of issuance and delivery of the Bonds.

(iii) The foregoing is subject to the following parameters and restrictions:

(A) The total par amount of the Bonds shall not exceed $7,370,000;

(B) the maximum net effective interest rate on the Bonds shall not exceed 9.0 % per annum;

(C) the sale price of the Bonds shall be an amount not less than 97% of the aggregate principal amount of the Bonds;

(D) any redemption premium shall not be in excess of 3% of the principal amount so redeemed; and

(E) the Bonds shall mature not later than December 1, 2039.

(c) ***Book-Entry Registration***. Notwithstanding any other provision hereof, the Bonds shall be delivered only in book-entry form registered in the name of Cede & Co., as nominee of DTC, acting as securities depository of the Bonds and principal of and interest on the Bonds shall be paid by wire transfer to DTC; provided, however, if at any time the Paying Agent determines, and notifies the District of its determination, that DTC is no longer able to act as, or is no longer satisfactorily performing its duties as, securities depository for the Bonds, the Paying Agent may, at its discretion, either (i) designate a substitute securities depository for DTC and reregister the Bonds as directed by such substitute securities depository or (ii) terminate the book-entry registration system and reregister the Bonds in the names of the beneficial owners thereof provided to it by DTC. Neither the District nor the Paying Agent shall have any liability to DTC, Cede & Co., any substitute securities depository, any Person in whose name the Bonds are reregistered at the direction of any substitute securities depository, any beneficial owner of the Bonds or any other Person for (A) any determination made by the Paying Agent pursuant to the proviso at the end of the immediately preceding sentence or (B) any action taken to implement such determination and the procedures related thereto that is taken pursuant to any direction of or in reliance on any information provided by DTC, Cede & Co., any substitute securities depository or any Person in whose name the Bonds are reregistered.

Section 5. Payment of Bonds; Paying Agent and Bond Registrar. The principal of and premium, if any, on the Bonds are payable in lawful money of the United States of America to the Owner of each Bond upon maturity or prior redemption and presentation at the principal office of the Paying Agent. The interest on any Bond is payable to the person in whose name such 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 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 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, draft or electronic transfer 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 Bond by such alternative means as may be mutually agreed to between the Owner of such 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.

The principal of, premium if any, and interest on the Bonds shall be paid in accordance with the terms of the Paying Agent and Registrar Agreement and the Letter of Representations.

Section 6. Form and Execution of Bonds. The Bonds shall be signed with the facsimile or manual signature of the President or Vice 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 or an Assistant Secretary of the District. Should any officer whose facsimile or manual signature appears on the Bonds cease to be such officer before delivery of the Bonds to a purchaser, such facsimile or manual signature shall nevertheless be valid and sufficient for all purposes.

The Bonds shall recite that they are issued under the authority of Title 11, Article 57, Part 2, C.R.S. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

The Bonds shall be in substantially the form set forth in as Exhibit A attached hereto, with such changes thereto as may be required by the circumstances, be required or permitted by this Resolution, or be consistent with this Resolution and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto.

Section 7. Authentication. No 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 Bond substantially in the form set forth herein shall have been duly executed by the Bond Registrar, and such executed certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Resolution. The Bond Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it 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 Bonds issued hereunder.

Section 8. Delivery of Bonds. Upon the adoption of this Resolution, the District shall execute the Bonds and deliver them to the Bond Registrar, and the Bond Registrar shall authenticate the Bonds and deliver them to the purchasers thereof, as directed by the District, and in accordance with the Bond Purchase Agreement.

Section 9. Registration of Bonds in Registration Books Maintained by Paying Agent. The Bond Registrar shall maintain the books of the District for the registration of ownership of each Bond as provided in this Resolution. Bonds may be exchanged at the principal office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity and interest rate of other authorized denominations. Bonds may be 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 Bonds to be transferred or his attorney-in-fact or legal representative, containing written instruments as to the details of the transfer of such Bonds, along with the social security number or federal employer identification number of such transferee. No transfer of any Bond shall be effective until entered on the registration books.

In all cases of the transfer of a 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 a 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 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 Bonds Registrar shall not be required to transfer any Bonds selected or called for redemption, in whole or in part.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the District, evidencing the same obligation as the 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 Bonds surrendered.

The District, the Paying Agent, and the Bond Registrar may deem and treat the registered Owner of any Bond as the absolute owner thereof for all purposes (whether or not such 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 10. Cancellation of Bonds. Whenever any 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 Bond shall be delivered to the Bond Registrar for transfer or exchange pursuant to the provisions hereof, such 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 11. Lost Bonds. Any 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 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 12. Disposition and Investment of Proceeds; Tax Covenants. The Bonds shall be issued and sold for the purposes aforesaid. Neither the Underwriter nor any subsequent Owners of the Bonds shall be responsible for the application or disposal by the District or any of its officers of the funds derived from the sale thereof. All or any portion of the Bond proceeds may be temporarily invested or reinvested, pending such use, in securities or obligations which are both lawful investments and which are Permitted Investments.

For purposes of ensuring that the interest on the Bonds is and remains excluded from gross income for federal income tax purposes, the District hereby covenants and declares that:

(a) ***Prohibited Actions***. The District will not use or permit the use of any proceeds of the Bonds or any other funds of the District from whatever source derived, directly or indirectly, to acquire any securities or obligations and shall not take or permit to be taken any other action or actions, which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, or would otherwise cause the interest on any Bond to be includible in gross income for federal income tax purposes.

(b) ***Affirmative Actions***. The District will at all times do and perform all acts permitted by law that are necessary in order to assure that interest paid by the District on the Bonds shall not be includible in gross income for federal income tax purposes under the Code or any other valid provision of law. In particular, but without limitation, the District represents, warrants and covenants to comply with the following rules unless it receives an opinion of Bond Counsel stating that such compliance is not necessary: (i) gross proceeds of the Bonds will not be used in a manner that will cause the Bonds to be considered "private activity bonds" within the meaning of the Code; (ii) the Bonds are not and will not become directly or indirectly "federally guaranteed"; and (iii) the District will timely file an Internal Revenue Service Form 8038-G with respect to the Bonds, which shall contain the information required to be filed pursuant to Section 149(e) of the Code.

(c) ***Bank Qualified Bonds***. The District hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Section 13. Creation of Accounts. There are hereby created and established the Bond Account maintained by the Paying Agent, the 2010 Reserve Fund and the Surplus Account maintained by the Escrow Agent and the Project Account maintained by the District, which shall be established and maintained in accordance with the provisions of this Resolution; provided, however, so long as the 2003 Bonds are outstanding, the provisions of the 2003 Resolution shall govern in the event the 2003 Resolution and the 2010 Resolution conflict.

Section 14. Initial Credit of Bond Proceeds. Immediately upon issuance of the Bonds and from the proceeds thereof, net of the Underwriter's discount the District shall provide to the Paying Agent an amount to pay the costs of issuance, $300,000 to the 2010 Reserve Fund,

$4,000,000 to refund the Refunded Bonds pursuant to the terms of the Subordination Agreement and any amounts remaining shall be deposited by the Paying Agent to the Project Account.

Section 15. Project Account. The Project Account shall be maintained by the District in accordance with the terms of this Section. All moneys credited to the Project Account shall be applied solely to the payment of the costs of the Project and must comply with the provisions of Section 22(b)(v) with respect to such expenditures. Upon adoption by the Board of a resolution determining that all costs of the Project have been paid, any balance remaining in the Project Account shall be credited to the Bond Account. The Project Account shall terminate at such time as no further moneys remain therein.

Moneys credited to the Project Account may be invested or deposited by the District in Permitted Investments only and in accordance with the laws of the State of Colorado. The investment of moneys credited to the Project 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 Project Account shall remain in and become part of the Project Account. The District is solely responsible for determining if the investments made hereunder are Permitted Investments.

Section 16. Flow of Funds. This Resolution remains subject to the Flow of Funds described in the 2003 Resolution. This Section supplements the Flow of Funds described in the 2003 Resolution and describes the Flow of Funds upon issuance of the Series 2010 Bonds. Immediately upon receipt by the District of any Revenue, the District shall apply such Revenue in the following order and manner:

FIRST: All Revenue shall be credited to the Bond Account until the amount credited thereto is sufficient to pay the principal of and interest to come due during the calendar year in which the particular credit is made; and any principal and interest previously due but unpaid on the 2003 Bonds, the 2010 Bonds and any other Parity Lien Bonds, and to pay any amount to be used for redemption of the Bonds; and

SECOND: For so long as the District is required to maintain the Surplus Account, any remaining Revenue shall be credited to the Surplus Account (up to a maximum amount of $500,000) for use as described in Section 18 hereof entitled "Surplus Account"; and

THIRD: For so long as the 2010 Reserve Fund has not been terminated, to the credit of the 2010 Reserve Fund, the amount required to replenish the 2010 Reserve Fund to the Reserve Requirement, and to the credit of any other similar fund or account established to secure payment of the principal of, premium if any, and interest on any Parity Bonds, the amounts required by the resolution or other enactment authorizing issuance of the Parity Bonds;

FOURTH: To the credit of any other fund or account established for the payment of the principal of, premium if any, and interest on Subordinate Bonds (including the 2008 Bonds), including any sinking fund, reserve fund, or similar fund or account established therefore, the amounts required by the resolution or other enactment authorizing issuance of the Subordinate Bonds; and

FIFTH: After the Subordinate Bonds are no longer outstanding, to the credit of any other fund or account as may be designated by the District, to be used for any lawful purpose, any Revenue remaining after the payments and accumulations set forth above.

Section 17. Bond Account.

(a) Moneys in the Bond Account shall be used by the District solely to pay the principal of and interest on the Bonds and any Parity Lien Bonds, in the following order:

FIRST: to the payment of any accrued amounts of interest on or principal of the Bonds, in that order, which became due and payable as of a previous payment date but remain unpaid;

SECOND: to the payment of interest due currently in connection with the Bonds and any Parity Lien Bonds; and

THIRD: to the extent any moneys are remaining in the Bond Account after the payment of such accrued amounts and such current interest, to the payment of the principal of the Bonds and any Parity Lien Bonds, whether due at maturity or upon prior redemption.

(b) For so long as the District is required to maintain the Surplus Account, in the event that available moneys in the Bond Account are insufficient for the payment of the principal of, premium if any, and interest due on the Bonds and any Parity Lien Bonds on any due date, the District shall use moneys held in the Surplus Account as described hereinafter. In the event that available moneys in the Bond Account and the Surplus Account are insufficient for the payment of the principal of and interest on the Bonds and any Parity Lien Bonds on any due date, the District shall use moneys on deposit in the Escrow Account, if any, to pay amounts due on the Bonds. If, after application of moneys in the Bond Account, the Surplus Account and the Escrow Account, there are insufficient funds to pay the amounts due on the Bonds and any Parity Lien Bonds, the District shall on the due date pay such amounts as are available, proportionally in accordance with the amount of interest and principal due on each Bond or Parity Lien Bond, as partial payment of the amounts due, but in accordance with the priority set forth above. Any partial payments of principal shall be in the amount of $5,000 or integral multiples thereof, and the Bonds or Parity Lien Bonds or portions thereof to be paid pursuant to such partial payment shall be selected by lot. Any amount of principal of, premium if any, or interest on the Bonds or any Parity Lien Bonds which has become due but remains unpaid at the end of any year, shall be payable, solely from the Pledged Revenue, in the following years.

(c) Moneys credited to the Bond Account may be invested or deposited in Permitted Investments only and in accordance with the laws of the State of Colorado. The investment of moneys credited to the Bond Account shall, however, be subject to the covenants and provisions of the Section hereof entitled "Disposition and Investment of Proceeds; Tax Covenants." All interest income from the investment or reinvestment of moneys credited to the Bond Account shall remain in and become part of the Bond Account.

Section 18. Surplus Account.

(a) For so long as the District continues to maintain the Surplus Account, moneys in the Surplus Account shall be held by the Escrow Agent under the terms hereof and used solely for the purpose of paying the principal of, premium if any, or interest due on the 2003 Bonds, the 2010 Bonds and any other Parity Lien Bonds to the extent the moneys in the Bond Account are insufficient for such purpose. The Surplus Account shall be funded to the extent provided in Section 16 hereof, up to a maximum amount of $500,000, and the District shall have no obligation to fund the Surplus Account except as provided in such Section. In the event the amounts credited to the Bond Account are insufficient to pay the principal of or interest on the Bonds and any Parity Lien Bonds when due, the Escrow Agent shall transfer from the Surplus Account to the Bond Account an amount which, when combined with moneys in the Bond Account, will be sufficient to make such payments when due; and in the event the amounts in the Bond Account and the Surplus Account are insufficient to pay all principal and interest on any due date, the Escrow Agent shall transfer all of the moneys in the Surplus Account to the Bond Account in accordance with Section 17 hereof.

(b) Moneys credited to the Surplus Account may be invested or deposited, at the direction of the District, in securities or obligations which are lawful investments and which are Permitted Investments. The investment of moneys credited to the Surplus Account shall, however, be subject to the covenants and provisions of the Section hereof entitled "Disposition and Investment of Proceeds; Tax Covenants." All interest income from the investment or reinvestment of moneys credited to the Surplus Account shall be credited to the Surplus Account until such time as the Maximum Surplus Account balance is reached, after which time any investment earnings will be deposited in the Bond Account.

(c) The District shall cease to maintain the Surplus Account when the Bonds are no longer Outstanding after which the Surplus Account be terminated and any moneys therein remitted to the District for application first, for payment of the 2008 Bonds to the extent the 2008 Bonds are still outstanding and then, second, to any lawful purpose of the District.

Section 19. 2010 Reserve Fund.

(a) Moneys in the 2010 Reserve Fund shall be held and used by the Escrow Agent, if necessary, only to prevent a default in the payment of the principal of, premium, if any, and interest on the 2010 Bonds when due, (including on any mandatory sinking fund Redemption Date or at final maturity) and the 2010 Reserve Fund is pledged to the payment of the 2010 Bonds (but not for the 2003 Bonds or any other Parity Lien Bonds) for such purpose.

(b) If on any date the amounts then on deposit in the Bond Account (including amounts transferred thereto from the Surplus Account) are insufficient to pay the principal of, premium, if any, and/or interest on the 2010 Bonds when due, the Escrow Agent shall transfer from the 2010 Reserve Fund to the Bond Account an amount which, when combined with moneys then on deposit therein (including amounts transferred thereto from the Surplus Account, will be sufficient to make such payment of the Bonds when due. In the event that moneys in the 2010 Reserve Fund, together with moneys in the Bond Account (including amounts transferred thereto from the Surplus Account), are insufficient to make such payment when due, the Escrow Agent is to nonetheless transfer all moneys in the 2010 Reserve Fund to the Bond Account for the purpose of making partial payments as provided in Section 17 hereof entitled "Bond Account."

(c) Subject to the receipt of sufficient Revenue to replenish any draws on the 2010 Reserve Fund, the 2010 Reserve Fund shall be maintained in the amount of the Reserve Requirement. If at any time the 2010 Reserve Fund is drawn upon so that the amount of the 2010 Reserve Fund is less than the Reserve Requirement, then the District is to deposit to the 2010 Reserve Fund amounts sufficient to bring the amount credited to the 2010 Reserve Fund to the Reserve Requirement. Such deposits and payments shall be made as soon as is practicable succeeding such use, in accordance with and subject to the limitations in Section 16 above entitled "Flow of Funds."

(d) The 2010 Reserve Fund shall be maintained by the Escrow Agent until the date upon which the Bonds are no longer Outstanding, after which the 2010 Reserve Fund shall be terminated and any moneys therein remitted to the District for application to any lawful purpose of the District.

(e) It is intended that amounts in the Surplus Account are to be transferred to the Bond Account prior to any transfer of moneys from the Reserve 2010 Fund to the Bond Account.

(f) ***Investments***. Investments credited to the 2010 Reserve Fund may be invested or deposited in Permitted Investments only and in accordance with the laws of the State of Colorado and at the direction of the District and shall be valued on the basis of their current market value, as reasonably determined by the District, which value shall be determined at least annually. The amount credited to the 2010 Reserve Fund shall never exceed the amount of the Reserve Requirement. All investment earnings on moneys on deposit in the 2010 Reserve Fund shall remain in the 2010 Reserve Fund, provided, however, that if such earnings cause the amount therein to be in excess of the Reserve Requirement, such excess amount shall be transferred to the Bond Account.

Section 20. Covenant to Impose Required Mill Levy. For the purpose of paying the principal of, premium if any, and interest on the Bonds, the District shall certify and there shall be levied by the Board of County Commissioners of the County of Eagle, Colorado, on all of the taxable property in the District, in addition to all other taxes, direct annual taxes in each of the years 2010 to 2039, inclusive (and to the extent necessary to make up any defaults, in each year subsequent to 2039), in the amount of the Required Mill Levy. So long as any of the Bonds are outstanding, the District shall be obligated to impose the Required Mill Levy in each year. Nothing in this Resolution shall be construed to require the District to levy an ad valorem property tax for payment of debt service on the Bonds in excess of the Required Mill Levy, but the District shall nonetheless be permitted to do so. As of the date of this Resolution, the District finds that the Required Mill Levy to be levied in 2010 is, after making adjustments for changes occurring after Januar11, 2000 in the method of calculating assessed valuation 48.945 mills.

The foregoing provisions of this Resolution are hereby declared to be the certificate of the Board to the Board of County Commissioners of Eagle County, Colorado, showing the aggregate amount of taxes to be levied by said Board of County Commissioners from time to time, as required by law, for the purpose of paying the principal of and the interest on the Bonds when due.

The amounts necessary to pay all costs and expenses incidental to the issuance of the Bonds and the principal of and interest on the Bonds when due are hereby appropriated for said purposes, and such amounts as appropriate for each year shall also be included in the annual budget and the appropriation bills to be adopted and passed by the Board in each year, respectively, until the Bonds have been fully paid, satisfied, and discharged.

It shall be the duty of the Board, annually, at the time and in the manner provided by law for levying other District taxes, to ratify and carry out the provisions hereof with reference to the levying and collection of taxes; and the Board shall levy, certify, and collect said taxes in the manner provided by law for the purpose of paying the principal of and interest on the Bonds.

Section 21. Additional Bonds.

(a) The District shall not incur any additional debt or other financial obligation having a lien upon the Pledged Revenue superior to the lien thereof of the Bonds.

(b) The District may issue Parity Lien Bonds if:

(i) the District is then and as of the date of issuance of the Parity Lien Bonds will be, in substantial compliance with all of the covenants of this Resolution;

(ii) if the 2003 Bonds are still outstanding under the 2003 Resolution, if such Parity Lien Bonds comply with Section 23 of the 2003 Resolution entitled "Additional Bonds."

(iii) the District is then and as of the date of issuance of the Parity Lien Bonds will be, current in the accumulation of all amounts required to be then accumulated in the Bond Account as required by this Resolution; and

(iv) either all owners of the then outstanding Bonds consent in writing to the issuance of Parity Lien Bonds, or the total of the then outstanding Bonds and the Parity Lien Bonds to be issued is 50% or less of the certified valuation for assessment of all taxable property in the District.

(c) Any Parity Lien Bonds shall be payable as to interest on each June 1 and December 1, and shall mature serially or be subject to mandatory sinking fund redemption on each December 1.

(d) A written certificate by the President or Treasurer of the District that the conditions set forth in paragraph (i) and (ii) above are met and a written certificate by a

Certified Public Accountant meeting the requirements of the Bond Resolution that the conditions set forth in paragraphs (iii) and (iv) above are met shall conclusively determine the right of the District to authorize, issue, sell and deliver Parity Lien Bonds in accordance with the Bond Resolution.

(e) So long as no Event of Default shall have occurred and be continuing, nothing herein shall prevent the District from issuing obligations payable from sources other than the Pledged Revenue.

Section 22. Additional Covenants.

(a) For so long as any Bond is Outstanding, the District hereby covenants as follows:

(i) 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.

(ii) 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.

(iii) The District will carry fire and extended coverage, worker's compensation, public liability, and such other forms of insurance on insurable District property as would ordinarily be carried by entities having similar properties of equal value.

(b) For so long as any 2008 Bond is Outstanding, the District hereby covenants as follows:

(i) The District shall not issue any additional Parity Lien Bonds or other obligations (including those that are subject to annual appropriations of the Board) payable from the Required Mill Levy without the prior written consent of the Owners of 100% of the outstanding 2008 Bonds

(ii) Any amendment or supplement to this Resolution (or any succeeding bond resolution governing Parity Lien Bonds) which would modify any provision under this Section 22(b)or negatively impact the repayment rights or priority of the Owners of 2008 Bonds shall not be made without the prior written consent of the Owners of 100% of the outstanding 2008 Bonds.

(iii) Until the 2008 Bonds are paid in full, defeased or otherwise no longer outstanding obligations of the District, the District shall levy a debt service mill levy in each year at the maximum amount permitted by its Service Plan.

(iv) Upon the release of the moneys in the Surplus Account in Section 18, the District shall apply all such moneys to the redemption of outstanding principal on the 2008 Bonds.

(v) Use of the proceeds from the Project Account shall only be for capital improvements or infrastructure approved with the prior written consent of the Owners of 100% of the outstanding 2008 Bonds and designed to increase the assessed valuation of the District, all as set forth more particularly in the Subordination Agreement.

Section 23. Various Findings, Determinations, Declarations and Covenants. The Board, having been fully informed of and having considered all the pertinent facts and circumstances, hereby finds, determines, declares and covenants with the Owners of the Bonds that:

(a) The District has previously entered into the DTC Blanket Letter of Representations.

(b) The issuance of the Bonds will not cause the District to exceed its debt limit under applicable State law.

(c) No member of the Board has a potential conflict of interest in connection with the authorization, issuance, sale or use of proceeds of the Bonds that has not been disclosed to the Colorado Secretary of State and to the Board in writing in accordance with § 32-1-902(3), C.R.S., and § 18-8-308, C.R.S.

(d) The Board hereby determines that issuance of the Bonds and all procedures undertaken incident thereto are in full compliance and conformity with all applicable requirements, provisions and limitations prescribed by the Constitution and laws of the State, including the Act, and all conditions and limitations of the Act and other applicable law relating to the issuance of the Bonds have been satisfied.

(e) The District elects to apply all of the provisions of the Supplemental Public Securities Act to the issuance of the Bonds pursuant to § 11-57-204, Colorado Revised Statutes, as amended.

Section 24. Defeasance. When all principal, interest, and premiums, if any, in connection with any 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 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 25. Events of Default. The occurrence or existence of any one or more of the following events shall be an Event of Default hereunder:

(a) payment of any interest on or principal of any Bond is not made by the District when due (a "Payment Default");

(b) the District fails to impose the Required Mill Levy in accordance with the terms hereof;

(c) the District fails to collect and apply the Revenues in accordance with the terms hereof;

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

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

Section 26. Remedies For Events of Default.

(a) Except as provided in paragraph (b) of this section, 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 Bonds then outstanding.

(b) Notwithstanding the foregoing, the sole and exclusive remedies for a Payment Default which occurs, notwithstanding that the District has properly imposed, collected, and applied the Revenue and the Required Mill Levy, shall be as follows (for so long as such Payment Default has not been cured), and no other remedy shall lie for such a Payment Default:

(i) Not less than thirty (30) days prior to the date of certification by the District of any ad valorem property tax, the District shall mail to each Owner and Beneficial Owner at the address shown on the records of the Bond Registrar: (A) a copy of its current budget; (B) an accounting showing the property taxes anticipated to be imposed on the date of certification and the revenues anticipated to be received therefrom; (C) a notice showing the time, date, and location of the meeting at which the property tax is to be certified.

(ii) Not more than sixty (60) days following a Payment Default, the District shall mail to each Owner and Beneficial Owners at the address shown on the records of the Bond Registrar a notice containing a description of the action taken by the District to enforce the collection of the Revenue and its application in accordance with the terms hereof.

(iii) At the request of any Owner or Beneficial Owner, the District shall provide such Owner or Beneficial Owner with access at all reasonable times to all financial and other records of the District (subject to any law requiring confidentiality of such records), and shall permit such Owner or Beneficial Owner to make copies of the same.

(iv) Not less than thirty (30) days after each April, 1, July 1, October 1, and December 31, the District shall prepare and mail to each Owner at the address shown on the records of the Bond Registrar (including the address of any Beneficial Owner who has provided its name to the Bond Registrar) quarterly financial statements (which may be unaudited) for the District.

(v) At the request of any Owner or Beneficial Owner, the District shall mail to such Owner or Beneficial Owner notices of all meetings of the Board, each such mailing to be made not less than ten (10) days prior to the date of each such meeting.

The provisions of this paragraph (b) shall not be construed or interpreted to limit or restrict the rights of the Owners to pursue remedies for any Event of Default other than a Payment Default which occurs notwithstanding that the District has property imposed, collected, and applied the Required Mill Levy and the Revenue.

Section 27. Amendments to the Resolution.

(a) ***Amendments Permitted without Notice to or Consent of Owners.*** The District may, without the consent of or notice to the Owners of the Bonds, adopt one or more resolutions amending or supplementing this Resolution (which resolutions shall thereafter become a part hereof) for any one or more or all of the following purposes:

(i) to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision of this Resolution;

(ii) to subject to this Resolution or pledge to the payment of the Bonds additional revenues, properties or collateral;

(iii) to institute or terminate a book-entry registration system for the Bonds or to facilitate the designation of a substitute securities depository with respect to such a system;

(iv) to maintain the then existing or to secure a higher rating of the Bonds by any nationally recognized securities rating agency; or

(v) to make any other change that does not materially adversely affect the Owners of the Bonds.

(b) ***Amendments Requiring Notice to and Consent of Owners***. Except for amendments permitted by subsection (a) of this Section, this Resolution may only be amended (i) by a resolution of the District amending or supplementing this Resolution (which, after the consents required therefor, shall become a part hereof) and (ii) with the written consent of the Owners of at least two-thirds of the Bonds Outstanding; provided that any amendment that makes any of the following changes with respect to any Bond shall not be effective without the written consent of the Owner of such Bond: (A) a change in the maturity of such Bond; (B) a reduction of the interest rate on such Bond; (C) a change in the terms of redemption of such Bond; (D) a delay in the payment of principal of, premium, if any, or interest on such Bond; or (E) the establishment of a priority or preference for the payment of any amount due with respect to any other Bond over such Bond.

(c) ***Procedure for Notifying and Obtaining Consent of Owners***. Whenever the consent of an Owner or Owners of Bonds is required under subsection (b) of this Section, the District shall mail a notice to such Owner or Owners at their addresses as set forth in the registration books maintained by the Paying Agent and to the Underwriter, which notice shall briefly describe the proposed amendment and state that a copy of the amendment is on file in the office of the District for inspection. Any consent of any Owner of any Bond obtained with respect to an amendment shall be in writing and shall be final and not subject to withdrawal, rescission or modification for a period of 60 days after it is delivered to the District unless another time period is stated for such purpose in the notice mailed pursuant to this subsection.

Section 28. Effect of Amendment. Upon the execution of any amendatory or supplemental resolution or agreement pursuant to this Resolution, 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, the Bond Registrar, the Paying Agent, and all Owners of Bonds then Outstanding shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such modifications and amendments.

Section 29. 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 Bonds. Any successor Paying Agent shall:

(a) be a trust company or bank in good standing incorporated under the laws of the State of Colorado or the laws of the United States;

(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 surplus of not less than $10,000,000.

Section 30. Authorization to Execute Documents. The President or Vice 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, including, but not limited to, the execution of an undertaking to facilitate compliance with Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12), the Bond Purchase Agreement, the Paying Agent and Escrow Agent Agreement, the Subordination Agreement and the Continuing Disclosure Undertaking in substantially the forms presented to this meeting of the Board, with such changes as required by and approved by counsel to the District, and such certificates and affidavits as may be reasonably required by Bond Counsel or by the Underwriter. The execution by the President or Vice President of the District of any document authorized herein shall be conclusive proof of the approval by the District of the terms thereof.

Section 31. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Bonds, shall be paid either from the proceeds of the Bonds or from legally available moneys of the District, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 32. Acceptance of Bond Purchase Agreement. The Board does hereby affirm and ratify its determination to accept the Bond Purchase Agreement as submitted by the Underwriter, and its sale of the Bonds to the Underwriter upon the terms, conditions, and provisions as set forth in the Bond Purchase Agreement.

Section 33. Limited Offering Memorandum. The Preliminary Limited Offering Memorandum, as approved by the Board, will be superseded and replaced in its entirety by the final Limited Offering Memorandum. The Limited Offering Memorandum shall contain such corrections and additional or updated information so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The President or Vice President of the District is hereby authorized to execute copies of the Limited Offering Memorandum on behalf of the District.

Section 34. 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 is not a day on which the principal office of the Paying Agent or Bond Registrar is authorized or required by law to remain closed.

Section 35. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of the Revenues to secure or pay the 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 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 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 36. 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 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 Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 37. Conclusive Recital. Pursuant to § 11-57-210 of the Supplemental Public Securities Act, the 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 Bonds after their delivery for value.

Section 38. Limitation of Actions. Pursuant to § 11-57-212 of the Supplemental Public Securities Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bonds shall be commenced more than thirty days after the authorization of such securities.

Section 39. 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, sale, issuance, and delivery of the Bonds, are hereby ratified, approved, and confirmed.

Section 40. Resolution Irrepealable. After any of the Bonds have been issued, this Resolution shall constitute a contract between the Owners and the District, and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided.

Section 41. 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 42. 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.

Section 43. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this 13th day of May, 2010.

[SEAL]

By Samantha Gale
President

Attest:

By Gayl A. Hiu
Secretary

[Signature Page to Bond Resolution]

AMENDED, RATIFIED AND CONFIRMED this 24th day of May, 2010.

[SEAL]

By ______________________________
President

Attest:

By ______________________________
Secretary

[Signature Page to Bond Resolution]

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

I, Gayl Hill, Secretary of Buckhorn Valley Metropolitan District No. 2, Eagle County, Colorado, do hereby certify that the foregoing constitutes a true and correct copy of that portion of the record of proceedings of the Board of Directors of the District relating to the adoption of a resolution adopting the issuance of General Obligation Limited Tax Refunding and Improvement Bonds, Series 2010 adopted at a special meeting on the 13th day of May, 2010, at the hour of 8:00 a.m., at the office of 11 Bridger Drive, Gypsum, Colorado 81637 as amended, ratified and confirmed at a special meeting on the 24th day of May, 2010, at the hour of 3:30 p.m., at the office of 11 Bridger Drive, Gypsum, Colorado 81637, 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 notices of meeting, in the forms herein set forth at page (i), were posted at three public places within the District, and at the office of the Eagle County Clerk and Recorder, at least three days prior to the meetings, in accordance with law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the District, this 24th day of May, 2010.

[SEAL]

By Gayl Hill
Gayl Hill, Secretary

APPENDIX A

[FORM OF BOND]

No. R-__ $__________

UNITED STATES OF AMERICA
STATE OF COLORADO
EAGLE COUNTY

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
GENERAL OBLIGATION LIMITED TAX REFUNDING AND IMPROVEMENT BONDS
SERIES 2010

Interest Rate	Maturity Date	Dated	CUSIP
____%	December 1, 20__	__________ __, 2010	

REGISTERED OWNER:

TAX IDENTIFICATION NUMBER:

PRINCIPAL AMOUNT: ______________________________ THOUSAND AND NO/100

Buckhorn Valley Metropolitan District No. 2, Eagle County, State of Colorado, a metropolitan district 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 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 (computed on the basis of a 360-day year of twelve 30-day months) at the interest rate per annum specified above. The Bonds shall bear interest from their date of delivery, payable semiannually on June 1 and December 1 each year, commencing on December 1, 2010, until the principal amount is paid at maturity or upon prior redemption. The principal of this Bond and premium, if any, are payable in lawful money of the United States of America to the registered owner hereof upon maturity or prior redemption and presentation at the principal office of UMB Bank, n.a., Denver, Colorado, or its successor, as Paying Agent.

All capitalized terms used but not defined herein shall have the meanings assigned to them in the resolution of the District authorizing the issuance of this Bond (the "Bond Resolution").

This Bond is one of a series aggregating $7,370,000 all of like date, tenor, and effect, issued by the Board of Directors of Buckhorn Valley Metropolitan District No. 2, Eagle County and State of Colorado, for the purpose of paying costs associated with the issuance of the Bonds, by virtue of and in full conformity with the Constitution of the State of Colorado; Title 32, Article 1, C.R.S.; Title 11, Article 57, Part 2 C.R.S. (the "Supplemental Public Securities Act"), 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. THE BOND RESOLUTION CONSTITUTES THE CONTRACT BETWEEN THE REGISTERED OWNER OF THIS BOND AND THE DISTRICT. THIS BOND IS ONLY EVIDENCE OF SUCH CONTRACT AND, AS SUCH, IS SUBJECT IN ALL RESPECTS TO THE TERMS OF THE BOND RESOLUTION, WHICH SUPERSEDES ANY INCONSISTENT STATEMENT IN THIS BOND.

The Bonds are limited tax obligations of the District. The Bonds are not a debt or indebtedness of Eagle County, Colorado, the State or any political subdivision of the State other than the District. For the purpose of paying the principal of and interest on the Bonds when due, respectively, the Board in the Bond Resolution has covenanted to annually determine and certify to the Board of Commissioners of Eagle County, Colorado, a rate of levy for general ad valorem taxes, without limitation as to rate or amount, on all of the taxable property in the District, sufficient to pay the principal of, premium if any, and interest on the Bonds when due, respectively, at maturity.

The Bonds shall be issued only as fully registered Bonds without coupons in minimum denominations of $500,000 each and any integral multiple of $1,000 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. 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 UMB Bank, n.a. in Denver, Colorado, or its successor, as Bond Registrar, at the close of business on the fifteenth day of the calendar month next preceding each Interest Payment Date (the "Record Date"), and shall be paid by check, draft or electronic transfer of the Paying Agent mailed on 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 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 established for the payment of any defaulted interest. Notice of the Special Record Date and the date fixed for the payment of defaulted interest shall be given by first-class mail to the registered owner hereof as shown on the registration books on a 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 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; and that provision has been made for the levy and collection of an ad valorem tax on all of the taxable property within the District and on any taxable property excluded from the District subsequent to the issuance of the Bonds in the manner set forth in the Bond Resolution.

Reference is hereby made to the Bond Resolution 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.

The Bonds maturing on and before December 1, 20__ are not subject to redemption prior to their respective maturities. The Bonds maturing on and after December 1, 20__ 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 December 1, 20__, and on any date thereafter, upon payment of par and interest accrued to the date of redemption, without redemption premium. Bonds maturing on December 1, 20__ are also subject to mandatory sinking fund redemption beginning on December 1, 20__.

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.

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, 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 ____________ ___, 2010.

[Signatures appear on following page]

[SEAL]

Buckhorn Valley Metropolitan District No. 2

By ______________________________________
President

Attest:

By ____________________________
Secretary

CERTIFICATE OF AUTHENTICATION

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

Dated: __________ ___, 2010.

UMB BANK, N.A., Denver, Colorado, as Bond Registrar

By ______________________________________
Authorized Signatory

[Form of Transfer for Bonds]

ASSIGNMENT

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

____

____

(Please print or typewrite name and address of Transferee)
(Tax Identification or Social Security No.)

the within bond and all rights thereunder and hereby irrevocably constitutes and appoints ______________________________ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________

Signature of Registered Owner:

____

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

Signature Guaranteed:

____

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges and who is a member of a Medallion Signature Program.

TRANSFER FEE MAY BE REQUIRED