

BACHELOR GULCH METROPOLITAN DISTRICT

RESOLUTION

WHEREAS, the Bachelor Gulch Metropolitan District (“Metro District”) Board of Directors authorized the filing of a Service Plan Amendment, which will allow the Metro District, upon compliance with applicable statutory requirements for approval from Bachelor Gulch Village Association (“BGVA”) and the Eagle County Sheriff (“Sheriff”), to provide security services and/or covenant enforcement services; and

WHEREAS, objections have been raised regarding various aspects of the Service Plan Amendment, the content of which the Metro District Board has reviewed and discussed in detail, and made certain findings and conclusions as reflected herein.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Bachelor Gulch Metropolitan District as follows:

1. The March 2004 Master Agreement among the Metro District, BGVA, Smith Creek Metropolitan District, and Vail Resorts Development Company does not restrict the Metro District from undertaking security services; specifically, Subsection 4.6 of that Agreement simply acknowledges that BGVA provides the services, not the Metro District. In fact, at the time the Master Agreement was executed, metro districts were not authorized by State statute to undertake security services; and, at that time, the provision of security services and the benefit of doing so had not been contemplated by the Metro District.

2. The issue of security services is not before the District Court at this time. The tangential, yet separate, issue of metro district enforcement of regulations related to roadways is entirely different from the issue of security services.

3. The Metro District Board of Directors has found, and does reaffirm its finding, that there is a “*need*” for the Service Plan Amendment. The Metro District cannot begin the process of requesting necessary approvals of the BGVA and the Sheriff until the authorization for such services is confirmed in the District Service Plan.

4. The Metro District Board of Directors concludes that the Service Plan Amendment is essential before required approvals of the BGVA and the Sheriff are sought for the implementation of any such services. The Metro District Board finds that any suggestion that the BGVA and Sheriff approval should be obtained prior to the Service Plan Amendment is contrary both to the legislation, the legislative intent, and the logical application of the new statute.

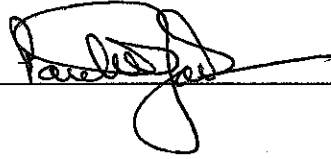
5. The original Consolidated Service Plan provides that both Districts have the right to amend the Service Plan independent of participation of the other District, so long

as the Amendment does not amend those portions of the Service Plan which “*effect [sic], impair, or impinge upon the rights or powers of the other District.*” The Metro District Board finds there is no basis for any allegation that Smith Creek Metropolitan District will be affected, impaired, or have its rights or powers impinged upon by virtue of this Service Plan Amendment.

THIS RESOLUTION IS APPROVED this 25th day of October, 2006, by a vote of 4 in favor and 0 opposed.

Bachelor Gulch Metropolitan District

By: _____



Attest:

