

RECORD OF PROCEEDINGS

MINUTES OF THE ORGANIZATIONAL MEETING OF
RUEDI SHORES METROPOLITAN DISTRICT

HELD

July 22, 2008

The Special Meeting of the Board of Directors of the Ruedi Shores Metropolitan District was held at 10 Hawk Lane, Basalt, Colorado, on June 22, 2008 at 6:15 p.m.

ATTENDANCE

Directors in Attendance Were:

Jim Geib

Susan Atchison

Jon Rowley

Doug McMillan

Brad Lundgren

Also in Attendance:

Lyn Colhoun

Nina Dunn

NOTICE

It was noted that Notice had been properly posted at least three days prior to the meeting in three public locations within the District's boundaries, and a copy was sent to the Eagle County Clerk and Recorder for posting on the bulletin board. The notice also included the agenda items. Certification of such posting is attached hereto.

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Water Budget for Project

Doug McMillan presented revised budget for 2008 into 2009 for water tank project. Discussed discrepancies in Zancanella's bid and some costs that may have been overlooked for a budget. Trying to put together a more precise budget so no costs are overlooked. McMillan is working with Zancanella on reviewing estimated and projected costs for water project. No actions taken. Will need an engagement letter for next meeting from Zancanella.

Progress of 1041

Eagle county looking to Zancannella to provide some more information to help finalize the issuance of the 1041. The county has let it be known that our case has priority in regards to finalizing the 1041 as of July 8, 2008.

Bond Issuance

It was discussed that authorization for Jim Geib is needed to sign on Bond Issuance as soon as possible to lock into a good interest rate. Motion was passed to authorize Jim Geib and Susan Atchison to get a commitment on Bond.

Engaging Management Company

For Ruedi Shores Metro District

It was carried over from the previous meeting and discussed again to hire an outside management company to oversee and manage the Metropolitan District for Ruedi Shores. Several companies were contacted by Jim Geib. A company in the Eagle, Colorado area (Robertson's & Marley) was contacted and gave a rough estimate of \$20,000.00 to \$30,000 per year. It seems though they are not interested due to our location. Beech Resource Management was also contacted but they have not talked directly with Mr. Geib. Doug McMillan and Susan Atchison will try to contact other management companies for bids and will discuss further at next meeting.

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Eagle County River Water &

Sanitation Districts Rules

& Regulations

John Rowley presented research regarding the Rules and Regulations for Eagle County Water and Sanitation. To understand them better, Doug McMillan and John Rowley will go over them as it is extensive and complicated. To be discussed further at next meeting.

Construction Management

Doug McMillan will submit a letter of engagement to the Metro District for Management of Water Project. He will render his services for \$75.00 per hour and will not charge travel time. By hiring McMillan on as project manager through his company Woody Creek Builders he may have to resign from board due to conflict of interest. The possibility of him resigning from board is being looked into and will be discussed at next meeting.

Monetary needs

For Metro District

It is necessary to establish at this time a bank account with usable income for bills that the District is now receiving. The bond will be secured in approximately three weeks at which time funds will be available.

Transfer of Water

& Road Rights

The Homeowner board voted to transfer water rights and to grant road easements. The paperwork for transfer is being worked on by Chrissie Sloan.

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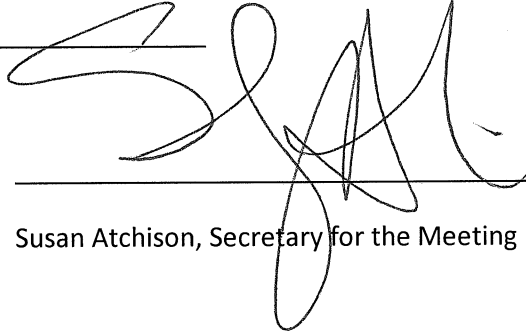
Adoption of Budget

The adoption of a budget for Metro District was discussed. A formal publication needs to be made which will be done by Collins, Cockrel and Cole. Jim Geib researched and compared the RSH Metropolitan Districts budget with other Districts and found them to be very similar. The budget will be adopted when publication has been made. To be discussed at next meeting.

Adjournment

There being no further matters to discuss the meeting was adjourned
at 8:09 p.m.

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Susan Atchison, Secretary for the Meeting