

Hewitt Accounting, LLC
400 N Main St
Gunnison, CO 81230
970-641-6100

Buckhorn Ranch Association, Inc
P.O. Box 3501
Crested Butte, CO 81224

Dear Board of Directors:

I have prepared the enclosed returns from information provided by you without verification or audit. I suggest that you examine these returns carefully to fully acquaint yourself with all items contained therein to ensure that there are no omissions or misstatements. Attached to each return is an instruction sheet for signing and filing. Please follow those instructions carefully.

I will use my judgement to resolve questions in your favor where a tax law is unclear if there is a reasonable justification for doing so. Whenever I am aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities, I will explain the possible positions that may be taken on your return. I will follow whatever position you request, so long as it is consistent with the Internal Revenue Code and regulations. If the IRS should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. I assume no liability for any such additional tax, penalties or assessments.

It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns, including but not limited to the auto, travel, entertainment, and related expenses and the required documents to support charitable contributions. Required documentation includes business purpose, amount, date, place of occurrence, and number of miles driven for auto expenses. Charitable contribution receipts must show the organization's name, tax i.d. number, date, amount given, and anything you received in return. You understand that I am not responsible for IRS disallowance of doubtful deductions unsupported by adequate documentation.

Unless requested by you otherwise, I will check the box on your tax return that gives me authorization to discuss your tax return with the IRS. This authorization is limited to providing information for that specific tax return and will expire one year after the due date of the return.

The law provides for a penalty to be imposed where taxpayers make a substantial understatement of their tax liability. Taxpayers can avoid all or part of the penalty by showing (1) they acted in good faith, (2) the understatement was based on substantial authority, or (3) that the relevant facts affecting the item's tax treatment were adequately disclosed on the return. You agree to advise me if you wish disclosure to be made in your returns or if you wish further research to be performed to determine if substantial authority exists for your position.


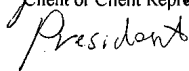
Fees for my services will be at my standard rate plus a computer charge for tax software (\$25 per return) and any out-of-pocket expenses. Payment for tax services are due upon delivery of the tax return. I reserve the right to stop work on any account that is 30 days past due.

Enclosed is any material you furnished for use in preparing the returns. If the returns are examined, requests may be made for supporting documentation. Therefore, I recommend that you retain all pertinent records for at least seven years.

In order that I may properly advise you of tax considerations, please keep me informed of any significant changes in your financial affairs or of any correspondence received from taxing authorities. If you have any questions, or if I can be of assistance in any way, please call.

Sincerely,

Nikki Hewitt, CPA


Client or Client Representative

President

4/9/09
Date

Form **1120-H**

Department of the Treasury
Internal Revenue Service

**U.S. Income Tax Return
for Homeowners Associations**
▶ See separate instructions.

OMB No. 1545-0127

2008

For calendar year 2008 or tax year beginning _____ and ending _____

Use IRS label. Other- wise, print or type.	Name Buckhorn Ranch Association, Inc	Employer identification number 84-1494668
	Number, street, and room or suite no. if a P.O. box, see instructions. P.O. Box 3501	Date association formed 6/16/1994
	City or town, state, and ZIP code Crested Butte CO 81224	

Check if: (1) Final return (2) Name change (3) Address change (4) Amended return

A Check type of homeowners association: Condominium management association Residential real estate association Timeshare association

B Total exempt function income. Must meet 60% gross income test (see instructions)	83,045
C Total expenditures made for purposes described in 90% expenditure test (see instructions)	65,313
D Association's total expenditures for the tax year (see instructions)	65,313
E Tax-exempt interest received or accrued during the tax year	

Gross income (excluding exempt function income)	
1 Dividends	1
2 Taxable interest	2 15
3 Gross rents	3
4 Gross royalties	4
5 Capital gain net income (attach Schedule D (Form 1120))	5
6 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6
7 Other income (excluding exempt function income) (attach schedule)	7
8 Gross income (excluding exempt function income). Add lines 1 through 7	8 15

Deductions (directly connected to the production of gross income, excluding exempt function income)	
9 Salaries and wages	9
10 Repairs and maintenance	10
11 Rents	11
12 Taxes and licenses	12
13 Interest	13
14 Depreciation (attach Form 4562)	14
15 Other deductions (attach schedule)	15
16 Total deductions. Add lines 9 through 15	16 0
17 Taxable income before specific deduction of \$100. Subtract line 16 from line 8	17 15
18 Specific deduction of \$100	18 100

Tax and Payments											
19 Taxable income. Subtract line 18 from line 17	19 -85										
20 Enter 30% of line 19. (Timeshare associations, enter 32% of line 19.)	20 0										
21 Tax credits (see instructions)	21										
22 Total tax. Subtract line 21 from line 20. See instructions for recapture of certain credits	22 0										
23 Payments: a 2007 overpayment credited to 2008 23a	<table border="1"> <tr> <td>b 2008 estimated tax payments 23b</td> <td>c Total 23c</td> </tr> <tr> <td>d Tax deposited with Form 7004 23d</td> <td></td> </tr> <tr> <td>e Credit for tax paid on undistributed capital gains (attach Form 2439) 23e</td> <td></td> </tr> <tr> <td>f Credit for federal tax paid on fuels (attach Form 4136) 23f</td> <td></td> </tr> <tr> <td>g Add lines 23c through 23f 23g</td> <td></td> </tr> </table>	b 2008 estimated tax payments 23b	c Total 23c	d Tax deposited with Form 7004 23d		e Credit for tax paid on undistributed capital gains (attach Form 2439) 23e		f Credit for federal tax paid on fuels (attach Form 4136) 23f		g Add lines 23c through 23f 23g	
b 2008 estimated tax payments 23b		c Total 23c									
d Tax deposited with Form 7004 23d											
e Credit for tax paid on undistributed capital gains (attach Form 2439) 23e											
f Credit for federal tax paid on fuels (attach Form 4136) 23f											
g Add lines 23c through 23f 23g											
24 Amount owed. Subtract line 23g from line 22 (see instructions)	24 0										
25 Overpayment. Subtract line 22 from line 23g	25										
26 Enter amount of line 25 you want: Credited to 2009 estimated tax ▶ Refunded ▶	26										

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		May the IRS discuss this return with the preparer shown below (see instr.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Signature of officer <i>A. J. Lamb</i>	Date <i>4/9/09</i>	Title <i>President</i>
Paid Preparer's Use Only	Preparer's signature <i>Nikki Hewitt</i>	Date <i>3/13/09</i>	Preparer's SSN or PTIN P00290274
	Firm's name (or yours if self-employed), address, and ZIP code Hewitt Accounting, LLC 400 N Main St Gunnison, CO 81230	EIN 26-3537739	Phone no. 970-641-6100

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Form 1120-H (2008)

DO NOT SEND FEDERAL RETURN, FORMS OR SCHEDULES WITH THIS RETURN.

(23)

**2008 Form 112 Colorado State
C Corporation Income Tax Return**

For the tax year beginning 1/01/08, ending 12/31/08.

Name Buckhorn Ranch Association, Inc		Colorado Account Number •
Address P.O. Box 3501		Federal Employer Identification Number
City, State, ZIP Code Crested Butte CO 81224		• 84-1494668
IF YOU DO NOT NEED A CORPORATE TAX BOOKLET MAILED TO YOU NEXT YEAR, CHECK THIS BOX		
<p>A. Apportionment of Income. This return is being filed for:</p> <p><input checked="" type="checkbox"/> (42) A corporation not apportioning income;</p> <p><input type="checkbox"/> (43) A corporation doing an interstate business apportioning income under the Colorado Income Tax Act (Attach Schedule A);</p> <p><input type="checkbox"/> (44) A corporation doing an interstate business apportioning income under the Multistate Tax Compact (Attach Schedule B);</p> <p><input type="checkbox"/> (45) A corporation electing to pay a tax on its gross Colorado sales;</p> <p><input checked="" type="checkbox"/> (47) Other, federal form filed 1120H</p>		
<p>B. Separate/Consolidated/Combined Filing. This return is being filed by:</p> <p><input checked="" type="checkbox"/> A single corporation filing a separate return;</p> <p><input type="checkbox"/> An affiliated group of corporations electing to file a consolidated return. (Warning: such election is binding for four years.) If your election was made in a prior year - enter the year of election here: _____ (Attach Schedule C);</p> <p><input type="checkbox"/> An affiliated group of corporations required to file a combined return. (Attach Schedule C);</p> <p><input type="checkbox"/> An affiliated group of corporations required to file a combined return that includes another affiliated, consolidated group. (Attach Schedule C)</p>		
ROUND ALL AMOUNTS TO THE NEAREST DOLLAR		
1	Federal taxable income from Form 1120	● 1 -85.00
2	Federal taxable income of companies not included in this return	● 2 .00
3	Net federal taxable income, line 1 minus line 2	3 -85.00
Additions to federal taxable income		
4	Federal net operating loss deduction	● 4 .00
5	Colorado income tax deduction	● 5 .00
6	Other additions, attach explanation	● 6 .00
7	Total of lines 3 through 6	7 -85.00
Subtractions from federal taxable income		
8	Exempt federal interest	● 8 .00
9	Excludable foreign source income	● 9 .00
10	Colorado source capital gain (asset acquired on or after 5/9/94, held five years)	● 10 .00
11	Other subtractions, attach explanation	● 11 .00
12	Total of lines 8 through 11	12 .00
13	Modified federal taxable income, line 7 minus line 12	13 -85.00
14	Colorado taxable income before net operating loss deduction	-85 ● 14 -85.00
15	Colorado net operating loss deduction	● 15 .00
16	Colorado taxable income, line 14 minus line 15	16 -85.00

17	Tax, 4.63% of the amount on line 16	■ 17	0.00
18	New investment tax credit from Form 112CR	● 18	.00
19	Enterprise zone investment tax credit from Form 112CR	● 19	.00
20	Enterprise zone employee credits from Form 112CR	● 20	.00
21	Enterprise zone contribution credit from Form 112CR	● 21	.00
22	Other enterprise zone credits from Form 112CR	● 22	.00
23	Alternative fuel vehicle credit from Form 112CR	● 23	.00
24	Alternative fuel refueling facility credit from Form 112CR	● 24	.00
25	Gross conservation easement credit from Form 112CR	● 25	.00
26	Other credits from Form 112CR	● 26	.00
27	Total credits, total of lines 18 through 26	27	.00
28	Net tax, line 17 minus line 27	28	0.00
29	Recapture of prior year credits	● 29	.00
30	Total of lines 28 and 29	30	.00
31	Estimated tax and extension payments and credits	● 31	.00
32	Penalty, also include on line 35 if applicable	● 32	.00
33	Interest, also include on line 35 if applicable	● 33	.00
34	Estimated tax penalty, also include on line 35 if applicable	● 34	.00
35	If amount on line 30 exceeds amount on line 31, enter amount owed	● 35	.00
36	Overpayment, line 31 minus line 30	36	.00
37	Overpayment to be credited to estimated tax	● 37	.00
38	Overpayment to be refunded	● 38	.00

Make checks payable to and mail return to the COLORADO DEPARTMENT OF REVENUE, DENVER COLORADO 80261-0006.
 The State may convert your check to a one time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your bank account electronically.

C. The corporation's books are in care of:

Name **Wendy Chatham** Telephone Number **970-209-4517**
 Address **P.O. Box 3501** City **Crested Butte** State **CO** ZIP **81224**

D. Business code number per federal return *

E. Year corporation began doing business in Colorado * 6/16/1994

F. Kind of business in detail:
Residential Homeowners Association

G. Has the Internal Revenue Service made any adjustments in the corporation's income or tax or have you filed amended federal income tax returns at any time during the last four years? Yes No If Yes, for which year(s) _____
 Did you file amended Colorado returns to reflect such changes or submit copies of the Federal Agent's reports? Yes No

Under penalties of perjury in the second degree, I declare that I have examined this return and to the best of my knowledge it is true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature <i>Richard A. Lantry</i>	Date 4/9/09	Name and telephone number of person or firm preparing return Hewitt Accounting, LLC 400 N Main St Gunnison CO 81230 970-641-6100
Title <i>President</i>		

CO NOL Carryover Worksheet		2008
Form 112	For the tax year beginning 1/01/08 ending 12/31/08	
Name Buckhorn Ranch Association, Inc	Employer Identification Number 84-1494668	Colorado Account Number

Preceding Taxable Year	Inc(Loss)	Prior Year		Current Year	Next Year
		NOL Utilized (Income Offset)	Carryovers	Carryover NOL Utilized	Carryover
15th 12/31/93					
14th 12/31/94					
13th 12/31/95					
12th 12/31/96					
11th 12/31/97					
10th 12/31/98					
9th 12/31/99					
8th 12/31/00					
7th 12/31/01					
6th 12/31/02					
5th 12/31/03					
4th 12/31/04					
3rd 12/31/05					
2nd 12/31/06	-100		100		100
1st 12/31/07	-100		100		100
NOL Carryover Available To Current Year			200		
Current Year	-85				85
NOL Carryover Available To Next Year					285

SNOW REMOVAL AGREEMENT

THIS SNOW REMOVAL AGREEMENT is executed in Gunnison County, Colorado effective Nov. 1, 2008 as follows:

- 1. PARTIES: The parties to this Agreement are B. Subbin/Randy Assoc. Inc. ("Owner"), and Lacy Construction Company ("Contractor").
2. PURPOSE: The purpose of this Agreement is to set forth the terms and conditions upon which the Owner shall acquire the services of Contractor for the plowing and/or removal of snow on real property owned or managed by Owner. Property address: B. Subbin/Randy Assoc. Inc.
3. TERMS OF AGREEMENT: This Agreement shall commence upon receipt of this signed Agreement and terminate on June 1, 2009.
4. DUTIES OF CONTRACTOR: Contractor shall plow and remove snow as soon as reasonably possible following an accumulation of six inches (6") or more.
5. EQUIPMENT: Contractor shall supply all equipment and labor required for its services hereunder. The principal equipment to be used by Contractor is as follows (check as appropriate):
6. COMPENSATION: Owner shall pay to Contractor the amount per hour stated above, or any fraction thereof, for each piece of equipment.
7. METHOD OF PAYMENT: The compensation required under paragraph 6 above shall be payable by Owner to Contractor not later than 15 days from the date of billing thereof by Contractor.
8. CURB MARKERS: Owner shall provide and maintain adequate curb and other markers in all areas to be plowed.
9. EXCLUSIVE CONTRACT: Owner hereby covenants and agrees that this Snow Removal Agreement is and shall be the sole and only Snow Removal Agreement of the Owner for snow removal from any properties owned or managed by Owner.
10. INSURANCE: Contractor shall, during the term hereof, maintain liability insurance in an amount reasonably required to cover its activities hereunder, including property damage, of not less than \$500,000.00 combined single limit.
11. WORKMAN'S COMPENSATION INSURANCE: Contractor shall carry Workman's compensation and unemployment insurance on all its employees engaged in the activities hereunder and shall be solely responsible for the payment of such employees and their performance.
12. FORCE MAJEURE: The performance by contractor of its duties hereunder shall be done in a timely manner, subject only to acts of God, national emergency, or other circumstance beyond the control of Contractor.
13. APPLICABLE LAW: This Agreement is entered into at Gunnison County, Colorado and it is agreed that the exclusive proper jurisdiction and venue of any action pertaining to the interpretation or enforcement of this Agreement shall be the County Court or District Court of Gunnison County, Colorado.
14. ATTORNEYS' FEES: It is agreed that if any action is brought in a court of law by either party to this Agreement as to the enforcement, interpretation or construction of this Agreement, or any document provided for herein, the prevailing party in such action shall be entitled to recover reasonable attorneys' fees as well as all costs incurred in the prosecution or defense of such action.
15. INDEPENDENT CONTRACTOR: For all purposes, Contractor shall be considered to have an independent contractor relationship with Owner and not that of employee.

IN WITNESS WHEREOF, the parties have executed this Agreement effective upon the execution hereof.

OWNER: B. Subbin/Randy Assoc. Inc.
By: Randy Lacy, Vice Pres.
Address: PO Box 3501, Crested Butte, CO

CONTRACTOR: LACY CONSTRUCTION COMPANY
By: Bill Lacy, Partner
Lacy Construction Company, Ltd
P.O. Box 836
Crested Butte, CO 81224

PO Box 3501

11/2/08