

STATE OF COLORADO  
COUNTY OF EAGLE  
BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2  
2011 BUDGET RESOLUTION

The Board of Directors of the Buckhorn Valley Metropolitan District No. 2, Eagle County, Colorado held a special meeting at 11 Bridger Drive, Gypsum, Colorado 81637 on Monday, November 22, 2010 at the hour of 9:00 A.M.

The following members of the Board of Directors were present:

President:	Samantha Gale
Secretary/Treasurer:	Gayl Hill
Assistant Secretary:	David Garton
Assistant Secretary:	John V. Hill
Assistant Secretary:	Scott Green

Also present were: Tamara K. Seaver and Jennifer L. Ivey, Icenogle Seaver Pogue, P.C.

Ms. Seaver reported that, prior to the meeting, each of the directors had been notified of the date, time and place of this meeting and the purpose for which it was called. It was further reported that this meeting is a special meeting of the Board of Directors of the District and that a notice of special meeting was posted at three places within the boundaries of the District and at the Eagle County Clerk and Recorder's Office and the Town of Gypsum Clerk's Office, both in Eagle County, Colorado, and to the best of her knowledge, remains posted to the date of this meeting. An original publisher's Affidavit of Publication is attached hereto as Exhibit A and incorporated herein by this reference.

Thereupon, Director John V. Hill introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN AND LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2011 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2, EAGLE COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2011 AND ENDING ON THE LAST DAY OF DECEMBER 2011.

WHEREAS, the Board of Directors (the "Board") of the Buckhorn Valley Metropolitan District No. 2 (the "District") has authorized its treasurer and accountant to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, due and proper notice was published on Thursday, November 18, 2010 in the Eagle Valley Enterprise, indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; and (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and

WHEREAS, the proposed budget was open for inspection by the public at a designated place; and

WHEREAS, a public hearing was held on Monday, November 22, 2010 and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of § 29-1-301, C.R.S., and Article X, § 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

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

Section 1. Summary of 2011 Revenues and 2011 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2011, as more specifically set forth in the budget attached hereto as Exhibit B and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, amended and attached hereto as Exhibit B, is approved and adopted as the budget of the District for fiscal year 2011. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section shall be ratified by the Board of Directors at the next regular meeting.

Section 3. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 4. Budget Certification. That the budget shall be certified by John V. Hill, Assistant Secretary of the District, and made a part of the public records of the District and a certified copy of the approved and adopted budget shall be filed with the Colorado Department of Local Affairs Division of Local Government.

Section 5. 2011 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from general property taxes necessary to balance the budget for the General Fund for operating expenses is \$115,467 and that the 2010 valuation for assessment, as certified by the Eagle County Assessor, is \$18,873,350. That for the purposes of meeting all general operating expenses of the District during the 2011 budget year, there is hereby levied a tax of 6.118 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2011.

Section 6. 2011 Levy of Debt Retirement Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$923,756 and that the 2010 valuation for assessment, as certified by the Eagle County Assessor, is \$18,873,350. That for the purposes of meeting all debt retirement expenses of the District during the 2011 budget year, there is hereby levied a tax of 48.945 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2011.

Section 7. Certification to County Commissioners. That the Assistant Secretary of the District is hereby authorized and directed to immediately certify to the Board of County Commissioners of Eagle County, the mill levy for the District hereinabove determined and set.

That said certification shall be in substantially the following form attached hereto as Exhibit C and incorporated herein by this reference.

**[The remainder of this page is intentionally left blank.]**

The foregoing Resolution was seconded by Director GREEN.

RESOLUTION APPROVED AND ADOPTED THIS 22ND DAY OF NOVEMBER 2010.

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2

By: Samantha Gale  
SAMANTHA GALE, PRESIDENT

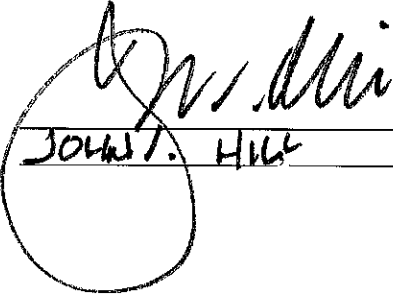
ATTEST:

John V. Lim  
JOHN V. LIM, ASST SECY

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

I, JOHN V. HILL, hereby certify that I am a director and the duly elected and qualified ASST SECY of the Buckhorn Valley Metropolitan District No. 2, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of the District, adopted at a special meeting of the Board of Directors of the Buckhorn Valley Metropolitan District No. 2 held on November 22, 2010, at 11 Bridger Drive, Gypsum, Colorado 81637, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2011; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 22nd day of November 2010.

  
JOHN V. HILL ASST SECY

[SEAL]

**EXHIBIT A**

Affidavit of Publication  
Notice as to Proposed 2011 Budget



**EXHIBIT B**

Budget Document  
Budget Message



## Accountant's Compilation Report

Board of Directors  
Buckhorn Valley Metropolitan District No. 2  
Eagle County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the Buckhorn Valley Metropolitan District No. 2 for the General Fund and Debt Service Fund for the year ending December 31, 2011, including the forecasted estimate of comparative information for the year ending December 31, 2010, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

The actual historical information for the year 2009 is presented for comparative purposes only. Such information is taken from the audit report of the District for the year ended December 31, 2009, as prepared by Monahan, Lampman & Hayes, P.C., dated July 12, 2010, wherein an unqualified opinion was expressed.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to the Buckhorn Valley Metropolitan District No. 2.

*Clifton Gunderson LLP*

Greenwood Village, Colorado  
November 24, 2010

**BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2**  
**SUMMARY**  
**FORECASTED 2011 BUDGET AS ADOPTED**  
**WITH 2009 ACTUAL AND 2010 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/24/2010

	ACTUAL 2009	ESTIMATED 2010	ADOPTED 2011
BEGINNING FUND BALANCES	\$ 126,807	\$ 119,700	\$ 1,208,808
<b>REVENUES</b>			
1 Property taxes	490,649	998,138	1,039,223
2 Specific ownership taxes	20,328	34,934	36,370
3 Net investment income	16,126	16,250	3,015
4 Bond issuance	-	7,370,000	-
Total revenues	527,103	8,419,322	1,078,608
Total funds available	653,910	8,539,022	2,287,416
<b>EXPENDITURES</b>			
5 General and administration			
6 Audit	5,308	5,300	5,400
7 Bank and Trustee Fees	110	1,450	1,450
8 County Treasurer's fees	15,181	29,944	31,177
9 Insurance	1,648	1,963	2,100
10 Transfer to BVMD No. 1 for Operations	61,334	113,000	107,093
11 Debt Service			
12 Bond interest 2003	144,200	144,200	144,200
13 Bond interest 2008	306,279	902,376	206,923
14 Bond interest 2010	-	322,419	607,700
15 Bond principal 2008	-	3,051,164	-
16 Cost of Issuance	-	269,160	-
17 Cost of Issuance - Paid to BVMD #1	-	120,000	-
18 Paying agent fees	150	-	-
19 Payments to BVMD #1 - Construction Fund Release	-	2,369,238	-
Total expenditures	534,210	7,330,214	1,106,043
Total expenditures and transfers out requiring appropriation	534,210	7,330,214	1,106,043
ENDING FUND BALANCES	\$ 119,700	\$ 1,208,808	\$ 1,181,373
EMERGENCY RESERVE	\$ 212	\$ -	\$ -
2010 BOND RESERVE FUND	-	300,000	300,000
RESTRICTED CONSTRUCTION FUND	-	402,216	378,381
RESERVE FOR FUTURE DEBT SERVICE	106,808	503,600	500,000
TOTAL RESERVE	\$ 107,020	\$ 1,205,816	\$ 1,178,381

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
For the Years Ended and Ending December 31,

11/24/2010

	ACTUAL 2009	ESTIMATED 2010	ADOPTED 2011
<b>ASSESSED VALUATION - EAGLE</b>			
Residential	\$ -	\$ -	\$ 5,927,950
Commercial	-	-	45,620
Vacant land	-	-	12,635,180
State Assessed	-	-	264,600
Certified Assessed Value	<u>\$ 11,715,460</u>	<u>\$ 18,864,630</u>	<u>\$ 18,873,350</u>
<b>MILL LEVY</b>			
GENERAL FUND	-	6.118	6.118
DEBT SERVICE FUND	42.728	48.945	48.945
Total Mill Levy	<u>42.728</u>	<u>55.063</u>	<u>55.063</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ -	\$ 115,414	\$ 115,467
DEBT SERVICE FUND	500,578	923,329	923,756
Levied property taxes	500,578	1,038,743	1,039,223
Adjustments to actual/rounding	(9,929)	(40,587)	-
Budgeted Property Taxes	<u>\$ 490,649</u>	<u>\$ 998,156</u>	<u>\$ 1,039,223</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ -	\$ 110,013	\$ 115,467
DEBT SERVICE FUND	490,649	888,125	923,756
	<u>\$ 490,649</u>	<u>\$ 998,138</u>	<u>\$ 1,039,223</u>

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**FORECASTED 2011 BUDGET AS ADOPTED**  
**WITH 2009 ACTUAL AND 2010 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/24/2010

	ACTUAL 2009	ESTIMATED 2010	ADOPTED 2011
BEGINNING FUND BALANCES	\$ 19,058	\$ 12,892	\$ 2,992
<b>REVENUES</b>			
1 Property taxes	-	110,013	115,467
2 Specific ownership taxes	-	3,850	4,040
3 Net investment income	900	1,250	-
Total revenues	<u>900</u>	<u>115,113</u>	<u>119,507</u>
Total funds available	<u>19,958</u>	<u>128,005</u>	<u>122,499</u>
<b>EXPENDITURES</b>			
General and administration			
4 Audit	5,308	5,300	5,400
5 Bank and Trustee Fees	110	1,450	1,450
6 County Treasurer's fees	-	3,300	3,464
7 Insurance	1,648	1,963	2,100
8 Transfer to BVMD No. 1 for Operations	-	113,000	107,093
Total expenditures	<u>7,066</u>	<u>125,013</u>	<u>119,507</u>
Total expenditures and transfers out requiring appropriation	<u>7,066</u>	<u>125,013</u>	<u>119,507</u>
ENDING FUND BALANCES	<u>\$ 12,892</u>	<u>\$ 2,992</u>	<u>\$ 2,992</u>
EMERGENCY RESERVE	<u>\$ 212</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL RESERVE	<u>\$ 212</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**FORECASTED 2011 BUDGET AS ADOPTED**  
**WITH 2009 ACTUAL AND 2010 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/24/2010

	ACTUAL 2009	ESTIMATED 2010	ADOPTED 2011
BEGINNING FUND BALANCES	\$ 107,749	\$ 106,808	\$ 1,205,816
REVENUES			
1 Property taxes	490,649	888,125	923,756
2 Specific ownership taxes	20,328	31,084	32,330
3 Net investment income	15,226	15,000	3,015
4 Bond issuance	-	7,370,000	-
Total revenues	<u>526,203</u>	<u>8,304,209</u>	<u>959,101</u>
Total funds available	<u>633,952</u>	<u>8,411,017</u>	<u>2,164,917</u>
EXPENDITURES			
General and administration			
5 County Treasurer's fees	15,181	26,644	27,713
6 Transfer to BVMD No. 1 for Operations	61,334	-	-
Debt Service			
7 Bond interest 2003	144,200	144,200	144,200
8 Bond interest 2008	306,279	902,376	206,923
9 Bond interest 2010	-	322,419	607,700
10 Bond principal 2008	-	3,051,164	-
11 Cost of Issuance	-	269,160	-
12 Cost of Issuance - Paid to BVMD #1	-	120,000	-
13 Paying agent fees	150	-	-
14 Payments to BVMD #1 - Construction Fund Release	-	2,369,238	-
Total expenditures	<u>527,144</u>	<u>7,205,201</u>	<u>986,536</u>
Total expenditures and transfers out requiring appropriation	<u>527,144</u>	<u>7,205,201</u>	<u>986,536</u>
ENDING FUND BALANCES	<u>\$ 106,808</u>	<u>\$ 1,205,816</u>	<u>\$ 1,178,381</u>
2010 BOND RESERVE FUND	\$ -	\$ 300,000	\$ 300,000
RESTRICTED CONSTRUCTION FUND	-	402,216	378,381
RESERVE FOR FUTURE DEBT SERVICE	106,808	503,600	500,000
TOTAL RESERVE	<u>\$ 106,808</u>	<u>\$ 1,205,816</u>	<u>\$ 1,178,381</u>

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2**  
**2011 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Buckhorn Valley Metropolitan District No. 2, a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District was established on May 2, 2000 to provide financing, construction, and operation of the basic public infrastructure including streets, parks and recreation, traffic and safety controls, sanitation, water, television relay and translator, and mosquito and pest control. The District's service area is located in an area of approximately 368 acres of land near the Town of Gypsum, in Eagle County, Colorado.

On May 2, 2000, the District's voters authorized total general obligation indebtedness of \$49,090,000 for the above listed facilities and powers. The District's voters also authorized total indebtedness of \$42,560,000 for the purpose of refunding outstanding financial obligations of the District. The Service Plan, however, establishes a total debt limit for the District of \$26,000,000.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting.

**Revenues**

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The District's maximum Required Mill Levy is 40.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in a amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund]. As of December 31, 2011, the adjusted maximum mill levy for debt service is 48.945 mills.

The calculation of the taxes levied is displayed on page 3 of the Budget at the adopted mill levy of 55.063 mills of which 6.118 mills is for operations and 48.945 mills is for debt service.

**BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2**  
**2011 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**(Continued)**

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The forecast assumes that the District's share will be equal to approximately 3.5% of the property taxes collected.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.25%.

**Expenditures**

**Administrative and Operating Expenditures**

The majority of the operating and administrative expenditures are included in budget of Buckhorn Valley Metropolitan District No. 1. However administrative and operating expenditures specific to the district, such as audit, insurance, and bank costs, are included in the budget for Buckhorn Valley Metropolitan District No. 2 .

**County Treasurer's Fees**

County Treasurer's fees have been computed at 3.0% of property tax collections.

**Transfer to Buckhorn Valley Metropolitan District No. 1**

Buckhorn Valley Metropolitan District No. 2 (the Financing District) was formed as part of a multiple district structure in conjunction with Buckhorn Valley Metropolitan District No. 1 (the Service District). The Service District will provide public facilities and services benefiting both of the Districts and the Financing District will contribute to the costs of the construction, operation, and maintenance of such facilities. The Service District will transfer all available funds from the imposition of a mill levy for operations and maintenance to the Service District.

**BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2**  
**2011 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

(Continued)

**Debt Service**

Principal and interest payments in 2011 are provided based on the debt amortization schedules from the Series 2003, 2008, and 2010 Bonds which are detailed on page 5 of the Budget (discussed under Debt and Leases).

**Debt and Leases**

**Series 2003 General Obligation Bonds** were issued on March 1, 2003, in the amount of \$2,500,000. The proceeds of the Series 2003 Bonds were used to partially reimburse Buckhorn Valley Metro District No. 1 for costs related to the construction of infrastructure within the District. The bonds bear interest at a rate of 7.00% with interest payable semi-annually on June 1 and December 1. The principal on the bonds is payable on December 1 and matures in various increments from 2020 through 2023. The Bonds were subject to mandatory redemption to the extent of monies still held by the trustee on September 1, 2007 and \$440,000 was repaid in 2007 as required by the bond documents. Bonds maturing after December 1, 2013 are subject to optional redemption at the District's option without redemption premium upon payment of principal plus accrued interest to the redemption date. The Bonds are limited tax general obligations of the District, payable from ad valorem taxes to be imposed, at a total rate not to exceed 40 mills, adjusted for any changes in law and the assessment ratio.

**Series 2008 Subordinate Limited Tax General Obligation Bonds** were issued on February 13, 2008, in the amount of \$8,500,000. The proceeds of the Series 2008 Bonds were used to partially reimburse Buckhorn Valley Metro District No. 1 for costs related to the construction of infrastructure within the District. The bonds bear interest at a rate of 6.00% with interest payable annually on December 15 until the principal amount and interest due thereon is paid at maturity or upon prior redemption. The Series 2008 bonds, together with interest thereon shall be payable solely from and to the extent of the Subordinate Pledged Revenue. The Bonds shall constitute an irrevocable lien upon the Subordinate Pledged Revenue, subordinate to the lien of any Senior Bonds. The Subordinate Pledged Revenue means (a) all Ad Valorem Revenues payable to the District and (b) any other legally available amounts. To the extent pledged revenues are insufficient to make the interest payments due, such shortfall will continue to accrue to future years. As of December 31, 2010 the balance of accrued but unpaid interest on the Series 2008 Bonds is \$250,203. As amounts are payable from Subordinate Pledged Revenue, there is no annual debt service schedule for the Series 2008 Subordinate Limited Tax General Obligation Bonds.

**Series 2010 General Obligation Limited Tax Refunding and Improvement Bonds** were issued on May 25, 2010, in the amount of \$7,370,000. The proceeds of the Series 2010 Bonds were used to (a) pay for and partially reimburse Buckhorn Valley Metro District No. 1 for costs of acquiring, constructing, relocating and installing certain public improvements and facilities within the District; (b) refunding a portion of the District's outstanding Subordinate General Obligation Limited Tax Bonds Series 2008 and refunding the Original Developer Note of

**BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2**  
**2011 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**(Continued)**

District No. 1; (c) funding the 2010 reserve fund; and (d) paying the cost of issuance of the Bonds and refunding the Refunded Bonds. The bonds bear interest at a rate of 7.25%-8.50% with interest payable semi-annually on June 1 and December 1. The principal on the bonds is payable on December 1 and matures in various increments from 2012 through 2039. The Bonds are subject to optional redemption at the District's option without redemption premium upon payment of principal plus accrued interest to the redemption date. The Bonds maturing on December 1, 2024, are also subject to mandatory sinking fund redemption, in part, by lot, commencing on December 1, 2012, and on each December 1 thereafter prior to the maturity date of the Bonds, upon payment of par and accrued interest, without redemption premium.

The District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to the Service District, which pays for all Districts' operations and maintenance costs, an emergency reserve is not reflected in the District's Budget.

**Debt Service Reserve**

The District maintains a Debt Service Reserve as required with the issuance of the Series 2010 Bonds.

**This information is an integral part of the accompanying forecasted budget.**

**BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

<b>\$2,500,000</b>			
<b>General Obligation</b>			
<b>Bonds, Series 2003</b>			
<b>Dated March 1, 2003</b>			
<b>Interest Rate 7.0%</b>			
<b>Interest Payable June 1,</b>			
<b>December 1</b>			
<b>Principal Due December 1</b>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ -	\$ 144,200	\$ 144,200
2012	-	144,200	144,200
2013	-	144,200	144,200
2014	-	144,200	144,200
2015	-	144,200	144,200
2016	-	144,200	144,200
2017	-	144,200	144,200
2018	-	144,200	144,200
2019	-	144,200	144,200
2020	70,000	144,200	214,200
2021	100,000	144,200	244,200
2022	110,000	144,200	254,200
2023	1,780,000	107,800	1,887,800
	<u>\$ 2,060,000</u>	<u>\$ 1,838,200</u>	<u>\$ 3,898,200</u>

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$7,370,000**

**General Obligation Limited  
Tax Refunding and Improvement**

**Bonds, Series 2010**

**Dated May 25, 2010**

**Interest Rate 7.25% - 8.50%**

**Interest Payable June 1,**

**December 1**

**Principal Due December 1**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ -	\$ 607,700	\$ 607,700
2012	70,000	607,700	677,700
2013	80,000	602,625	682,625
2014	85,000	596,825	681,825
2015	90,000	590,663	680,663
2016	95,000	584,138	679,138
2017	105,000	577,250	682,250
2018	115,000	569,638	684,638
2019	70,000	561,300	631,300
2020	130,000	553,325	683,325
2021	140,000	543,900	683,900
2022	150,000	533,750	683,750
2023	160,000	522,875	682,875
2024	170,000	511,275	681,275
2025	170,000	498,950	668,950
2026	185,000	484,500	669,500
2027	200,000	468,775	668,775
2028	215,000	451,775	666,775
2029	235,000	433,500	668,500
2030	315,000	413,525	728,525
2031	350,000	386,750	736,750
2032	380,000	357,000	737,000
2033	425,000	324,700	749,700
2034	460,000	288,575	748,575
2035	500,000	249,475	749,475
2036	535,000	206,975	741,975
2037	585,000	161,500	746,500
2038	630,000	111,775	741,775
2039	685,000	58,225	743,225
	<u>\$ 7,330,000</u>	<u>\$ 12,858,963</u>	<u>\$ 20,188,963</u>

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**EXHIBIT C**

Certification of Tax Levy

**CERTIFICATION OF TAX LEVY**

**DISTRICT ID 19070**

**BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2**

TO THE BOARD OF COUNTY COMMISSIONERS OF EAGLE COUNTY, COLORADO.

Dear Commissioners:

For the year 2011, the Board of Directors of the Buckhorn Valley Metropolitan District No. 2 hereby certifies a total levy of 55.063 mills to be extended by you upon the total assessed valuation of \$18,873,350 to produce \$1,039,223 in revenue.

The levies and revenues are for the following purposes:

	<b>PURPOSE</b>	<b>LEVY</b>	<b>REVENUE</b>
1.	General Operating Expenses	6.118 mills	\$ 115,467
2.	(Minus) Temporary Property Tax Credit/Temporary Mill Levy Rate Reduction	0.000 mills	\$ -0-
	<b>SUBTOTAL</b>	6.118 mills	\$ 115,467
3.	General Obligation Bonds and Interest *	48.945 mills	\$ 923,756
4.	Contractual Obligations approved at elections	0.000 mills	\$ -0-
5.	Capital Expenditures levied pursuant to §§ 29-1-301 (1.2) or 29-1-302 (1.5), C.R.S.	0.000 mills	\$ -0-
6.	Refunds/Abatements	0.000 mills	\$ -0-
7.	Other	0.000 mills	\$ -0-
	<b>TOTAL</b>	<b>55.063 mills</b>	<b>\$ 1,039,223</b>

\* § 32-1-1603, C.R.S., requires special districts to "certify separate mill levies to the Board of County Commissioners, one each for funding requirements of each debt".

Contact Person: Jason Carroll

Daytime Phone: (303) 779-5710

By: John V. Hill, Assistant Secretary of the District

**NOTE:** Certification **must** be to three decimal places **only**. If you are located in more than one county, please list all counties here:           N/A          

In order to comply with 32-1-1603, C.R.S., the following information is being supplied:

<b>DEBT DESIGNATION:</b>	<b>LEVY:</b>	<b>REVENUE:</b>
\$2,500,000 General Obligation Limited Tax Bonds, Series 2003, dated March 1, 2003, 7.000% maturing December 1, 2023	7.361 mills	\$138,927
\$8,500,000 Subordinate General Obligation Limited Tax Refunding and Improvement Bonds, Series 2008, dated February 13, 2008, 6.000%	10.563 mills	\$199,359
\$7,370,000 General Obligation Limited Tax Refunding and Improvement Bonds, Series 2010, dated May 20, 2010, 7.250% to 8.500%, maturing December 1, 2039	31.021 mills	\$585,470

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Buckhorn Valley Metropolitan District No. 2 of Eagle County, Colorado on this 22nd day of November 2010.

*[Handwritten signature]*  
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*[Handwritten signature]* . *[Handwritten signature]*

SEAL