

STATE OF COLORADO  
COUNTY OF EAGLE  
BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2  
2014 BUDGET RESOLUTION

The Board of Directors of the Buckhorn Valley Metropolitan District No. 2, Eagle County, Colorado held a regular meeting at 11 Bridger Drive, Gypsum, Colorado 81637 on Tuesday, November 19, 2013 at the hour of 7:30 A.M.

The following members of the Board of Directors were present:

President: John V. Hill  
Assistant Secretary: David Garton, Jr.  
Assistant Secretary: Scott Green  
Assistant Secretary: Anna Maria Ray

Also present was: Jennifer L. Ivey, Icenogle Seaver Pogue, P.C.

Ms. Ivey 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 regular meeting of the Board of Directors of the District and that a notice of regular special meeting was posted at three places within the boundaries of the District, 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 Ray 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 2014 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 2014 AND ENDING ON THE LAST DAY OF DECEMBER 2014.

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 7, 2013 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 Tuesday, November 19, 2013 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 2014 Revenues and 2014 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2014, 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 2014. 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 Samantha Gale, Secretary/Treasurer 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. 2014 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 \$32,197.00 and that the 2013 valuation for assessment, as certified by the Eagle County Assessor, is \$5,262,640.00. That for the purposes of meeting all general operating expenses of the District during the 2014 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 2014.

Section 6. 2014 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 \$257,580 and that the 2013 valuation for assessment, as certified by the Eagle County Assessor, is \$5,262,640.00. That for the purposes of meeting all debt retirement expenses of the District during the 2014 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 2014.

Section 7. 2014 Refunds/Abatements. That the foregoing budget indicates that the amount of money from refunds/abatements necessary to balance the budget for the District is \$0.00 and that the 2013 valuation for assessment, as certified by the Eagle County Assessor, is \$5,262,640.00. That for the purposes of the District during the 2014 budget year, there is hereby a refund/abatement of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2014.

Section 8. Certification to County Commissioners. That the Secretary/Treasurer 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 19TH DAY OF NOVEMBER,  
2013.

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 1

By:   
John V. Hill, President

ATTEST:

  
Anna M. Ray, Assistant Secretary

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

I, Samantha Gale, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer 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 regular meeting of the Board of Directors of the Buckhorn Valley Metropolitan District No. 2 held on November 19, 2013, 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 2014; 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 19th day of November, 2013.

  
\_\_\_\_\_  
Anna M. Ray, Assistant Secretary

[SEAL]

**EXHIBIT A**

Affidavit of Publication  
Notice as to Proposed 2014 Budget



**EXHIBIT B**

Budget Document  
Budget Message



CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

## CliftonLarsonAllen

### 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, 2014, including the forecasted estimate of comparative information for the year ending December 31, 2013, 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 2012 is presented for comparative purposes only. Such information is taken from the audit report of the District for the year ended December 31, 2012, as prepared by Wagner Barnes & Griggs, P.C., dated September 27, 2013, wherein an unmodified 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.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
November 20, 2013

**SUMMARY  
FORECASTED 2014 BUDGET AS ADOPTED  
WITH 2012 ACTUAL AND 2013 ESTIMATED  
For the Years Ended and Ending December 31,**

11/20/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014
BEGINNING FUND BALANCES	\$ 1,039,978	\$ 388,199	\$ (73,341)
<b>REVENUES</b>			
1 Property taxes	448,020	372,713	289,777
2 Specific ownership taxes	19,265	19,185	11,590
3 Net investment income	1,724	537	500
4 Other income	-	-	2,000
Total revenues	469,009	392,435	303,867
Total funds available	1,508,987	780,634	230,526
<b>EXPENDITURES</b>			
5 General and administration			
6 Bank fees	286	133	300
7 Contingency	-	-	1,000
8 Contingency	-	-	1,000
9 County Treasurer's fees	13,448	11,181	8,693
10 Transfer to Buckhorn Valley Metro No. 1 - Capital	228,550	-	-
11 Transfer to Buckhorn Valley Metro No. 1 - Service	50,954	40,186	31,231
12 Debt service			
13 Bond interest 2003 bonds	144,200	143,850	32,697
14 Bond interest 2010 bonds	607,700	602,625	154,605
15 Bond principal 2003 bonds	5,000	-	-
16 Bond principal 2010 bonds	70,000	55,000	-
17 Paying agent fees	650	1,000	1,000
Total expenditures	1,120,788	853,975	230,526
Total expenditures and transfers out requiring appropriation	1,120,788	853,975	230,526
ENDING FUND BALANCES	\$ 388,199	\$ (73,341)	\$ -
2010 BOND RESERVE FUND	\$ 300,000	\$ -	\$ -
2010 BOND SURPLUS FUND	88,199	-	-
TOTAL RESERVE	\$ 388,199	\$ -	\$ -

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

**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

11/20/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014
<b>ASSESSED VALUATION - EAGLE</b>			
Residential	\$ 4,092,810	\$ 4,313,610	\$ 3,321,270
Commercial	49,200	20,380	20,050
Vacant Land	4,196,730	3,463,330	1,572,690
State Assessed	276,740	291,400	348,630
Certified Assessed Value	<u>\$ 8,615,480</u>	<u>\$ 8,088,720</u>	<u>\$ 5,262,640</u>
<b>MILL LEVY</b>			
GENERAL FUND	6.118	6.118	6.118
DEBT SERVICE FUND	48.945	48.945	48.945
Refund and abatements	-	3.326	-
Total Mill Levy	<u>55.063</u>	<u>58.389</u>	<u>55.063</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ 52,710	\$ 49,487	\$ 32,197
DEBT SERVICE FUND	421,685	395,902	257,580
Refund and abatements	-	26,903	-
Levied property taxes	<u>474,395</u>	<u>472,292</u>	<u>289,777</u>
Adjustments to actual/rounding	528	-	-
Refund and abatements	(26,903)	(99,579)	-
Budgeted Property Taxes	<u>\$ 448,020</u>	<u>\$ 372,713</u>	<u>\$ 289,777</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ 49,779	\$ 41,412	\$ 32,197
DEBT SERVICE FUND	398,241	331,301	257,580
	<u>\$ 448,020</u>	<u>\$ 372,713</u>	<u>\$ 289,777</u>

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

**GENERAL FUND  
 FORECASTED 2014 BUDGET AS ADOPTED  
 WITH 2012 ACTUAL AND 2013 ESTIMATED  
 For the Years Ended and Ending December 31,**

11/20/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014
BEGINNING FUND BALANCES	\$ 2,622	\$ -	\$ -
REVENUES			
1 Property taxes	49,779	41,412	32,197
2 Net investment income	65	33	-
3 Other income	-	-	1,000
Total revenues	49,844	41,445	33,197
Total funds available	52,466	41,445	33,197
EXPENDITURES			
General and administration			
4 Bank fees	18	17	-
5 Contingency	-	-	1,000
6 County Treasurer's fees	1,494	1,242	966
7 Transfer to Buckhorn Valley Metro No. 1 - Service	50,954	40,186	31,231
Total expenditures	52,466	41,445	33,197
Total expenditures and transfers out requiring appropriation	52,466	41,445	33,197
ENDING FUND BALANCES	\$ -	\$ -	\$ -

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

**DEBT SERVICE FUND**  
**FORECASTED 2014 BUDGET AS ADOPTED**  
**WITH 2012 ACTUAL AND 2013 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/20/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014
BEGINNING FUND BALANCES	\$ 809,877	\$ 388,199	\$ (73,341)
REVENUES			
1 Property taxes	398,241	331,301	257,580
2 Specific ownership taxes	19,265	19,185	11,590
3 Net investment income	588	504	500
4 Other income	-	-	1,000
Total revenues	418,094	350,990	270,670
Total funds available	1,227,971	739,189	197,329
EXPENDITURES			
General and administration			
5 Bank fees	268	116	300
6 Contingency	-	-	1,000
7 County Treasurer's fees	11,954	9,939	7,727
Debt service			
8 Bond interest 2003 bonds	144,200	143,850	32,697
9 Bond interest 2010 bonds	607,700	602,625	154,605
10 Bond principal 2003 bonds	5,000	-	-
11 Bond principal 2010 bonds	70,000	55,000	-
12 Paying agent fees	650	1,000	1,000
Total expenditures	839,772	812,530	197,329
Total expenditures and transfers out requiring appropriation	839,772	812,530	197,329
ENDING FUND BALANCES	\$ 388,199	\$ (73,341)	\$ -
2010 BOND RESERVE FUND	\$ 300,000	\$ -	\$ -
2010 BOND SURPLUS FUND	88,199	-	-
TOTAL RESERVE	\$ 388,199	\$ -	\$ -

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

**BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2**  
**2014 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, 2013, 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**  
**2014 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (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 4% of the property taxes collected. Specific ownership taxes are pledged for the payment of debt service.

**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**

With the exception of banking and trustee fees, the operating and administrative expenditures are included in the budget of Buckhorn Valley Metropolitan District No. 1.

**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. Additionally, bond proceeds from the issue of the Series 2010 bonds were transferred to the Service District to fund capital expenditures.

**Debt Service**

Principal and interest payments in 2013 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). Currently, pledged revenue of the District is not sufficient to pay when due the debt service requirements with respect to the Bonds. To the extent principal of any Bond is not paid when due, such principal will remain outstanding until paid. The attached debt service schedule, is the debt service schedule originally issued, and does not reflect the amounts that are budgeted to be paid. On December 1, 2013, the District was unable to pay \$57,000 of the \$80,000 principal due on the Series 2010 bonds.

**BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2**  
**2014 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

**Limited Tax General Obligation Bonds, Series 2003**

The District issued \$2,500,000 of general obligation bonds dated March 1, 2003, with interest of 7% payable on June 1 and December 1, to partially reimburse Buckhorn Valley Metro District No. 1 for costs related to the construction of infrastructure within the District. 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 on and 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.

**Limited Tax Refunding and Improvement Bonds, Series 2010**

The District issued \$7,370,000 of general obligation bonds on May 25, 2010, with interest of 7.25% to 8.50% payable on June 1 and December 1. The bonds are limited tax general obligations of the District issued on a parity basis with the Series 2003 bonds. The Series 2010 bonds are secured by and payable from Pledged Revenue consisting of: (a) the Required Mill Levy, (b) the Specific Ownership Tax derived from the Required Mill Levy, (c) and any other legally available money which the District credits to the bond fund. The Series 2010 bonds are also secured by the 2010 Reserve Fund in the Reserve Requirement Amount of \$300,000. The Required Mill Levy is an ad valorem mill levy upon all taxable property of the District in an amount sufficient to pay the principal of, premium if any, and interest on the Series 2010 and

Series 2003 bonds as the same become due and payable and to replenish the 2010 Reserve Fund to the Reserve Requirement, but not in excess of 40 mills (subject to adjustment for changes occurring after January 11, 2000 in the method of calculating assessed valuation, which, as currently adjusted, is 48.945 mills), and for so long as (i) the Surplus Account is less than the Maximum Surplus Amount of \$500,000 or (ii) the Series 2008 Subordinate Bonds are outstanding, not less than 40 mills (subject to adjustment for changes in the method of calculating assessed valuation as detailed above). As of December 31, 2013, the balances in the Surplus and Reserve Funds were \$0, as all funds were used toward payment of the December 1, 2013 debt service requirement.

Due to a 72% decrease in assessed value of the District since 2011, pledged revenue of the District will not be sufficient to pay when due the debt service requirements with respect to the bonds. Failure to pay principal or interest when due on the bonds will result in a "Payment Default", for which the District must provide certain financial information to all owners of the bonds, which is the sole and exclusive remedy for a Payment Default.

**BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2**  
**2014 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases - (continued)**

**Subordinate Limited Tax General Obligation Bonds, Series 2008**

The District issued \$8,500,000 of subordinate general obligation bonds dated February 13, 2008, with simple interest of 6% payable annually on December 15 until the principal amount and interest due thereon is paid at maturity or upon prior redemption, to partially reimburse Buckhorn Valley Metro District No. 1 for costs related to the construction of infrastructure within the District. 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. During 2010, \$3,051,164 of principal and \$914,434 of accrued interest was repaid from proceeds of the District's Series 2010 Bonds. As of December 31, 2012 the balance of accrued but unpaid interest on the Series 2008 bonds is \$574,484. 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.

The District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

Under the Intergovernmental Agreement, the District transfers the portion of its revenue subject to TABOR to Buckhorn Valley Metropolitan District No. 1, which has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2014, as defined under TABOR.

**Debt Service Reserve**

The District maintains a Debt Service Reserve as required with the issuance of the Series 2010 Bonds in the amount of \$300,000, as well as a Surplus Fund up to a maximum amount of \$500,000. Those reserves have been used for the required debt service payments, and will be replenished when sufficient funds are available.

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

**BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**December 31, 2013**

	<b>\$2,500,000</b>		<b>\$7,370,000</b>		<b>Total</b>
	<b>General Obligation Limited Tax</b>		<b>General Obligation Limited Tax</b>		
	<b>Bonds Dated March 1, 2003</b>		<b>Refunding and Improvement</b>		
	<b>Interest Rate of 7.0% Interest</b>		<b>Bonds Dated May 24, 2010</b>		
	<b>Payable June 1 and December 1</b>		<b>Interest Rate of 7.25% - 8.50%</b>		
	<b>Principal Due December 1</b>		<b>Interest Payable June 1</b>		
	<b>Principal Due December 1</b>		<b>and December 1</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>All Bonds</u>
2014	\$ -	\$ 144,200	\$ 85,000	\$ 596,825	\$ 826,025
2015	-	144,200	90,000	590,663	824,863
2016	-	144,200	95,000	584,137	823,337
2017	-	144,200	105,000	577,250	826,450
2018	-	144,200	115,000	569,638	828,838
2019	-	144,200	110,000	561,300	815,500
2020	70,000	144,200	130,000	553,325	897,525
2021	100,000	139,300	140,000	543,900	923,200
2022	110,000	132,300	150,000	533,750	926,050
2023	1,780,000	124,600	160,000	522,875	2,587,475
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>\$ 2,060,000</u>	<u>\$ 1,405,600</u>	<u>\$ 7,220,000</u>	<u>\$ 11,040,938</u>	<u>\$ 21,726,538</u>

**NOTE:**

No annual debt service schedule for the Series 2008 Subordinate Limited Tax General Obligation Bonds is provided because amounts are payable from subordinate pledged revenue, which may or may not be sufficient to make debt service payments when due.

**EXHIBIT C**

Certification of Tax Levy

### CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of EAGLE COUNTY, Colorado.

On behalf of the BUCKHORN VALLEY METRO #2,  
(taxing entity)<sup>A</sup>

the BOARD of DIRECTORS  
(governing body)<sup>B</sup>


of the BUCKHORN VALLEY METRO #2  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 5,262,640 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 5,262,640 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

**Submitted:** 11/20/2013 for budget/fiscal year 2014  
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	6.118 mills	\$ 32,197
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>6.118</b>	<b>\$ 32,197</b>
3. General Obligation Bonds and Interest <sup>J</sup>	48.945	\$ 257,580
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b>55.063</b> mills	<b>\$ 289,777</b>

Contact person: (print) Jason Carroll Daytime phone: 303-779-5710  
Signed:  Title: Accountant for the District

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.*

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).



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 19th day of November, 2013.

  
\_\_\_\_\_  
Anna M. Ray, Assistant Secretary

SEAL