

STATE OF COLORADO
COUNTY OF EAGLE
BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
2019 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 20, 2018 at the hour of 7:30 A.M.

The following members of the Board of Directors were present:

President: John Hill
Secretary/Treasurer: Samantha Gale (*via telephone conference line*)
Assistant Secretary: Anna Maria Ray (*via telephone conference line*)
Assistant Secretary: Scott Green

Director David Garton Jr. was absent, absence excused.

Also present were: Jennifer L. Ivey, Icenogle Seaver Pogue, P.C. (*via telephone conference line*); and Debra Sedgeley, CliftonLarsonAllen, LLP (*via telephone conference line*).

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 meeting was posted at three places within the boundaries of the District and at the Eagle County Clerk and Recorder's Office 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 Gale 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 2019 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 2019 AND ENDING ON THE LAST DAY OF DECEMBER 2019.

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 was submitted to the Board for its review and consideration on or before October 15, 2018; and

WHEREAS, the proposed budget is more than fifty thousand dollars (\$50,000.00), due and proper notice was published on Thursday, November 8, 2018 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; (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 (iv) if applicable, the amount of the District’s increased property tax revenues resulting from a request to the Division of Local Government (the “Division”) pursuant to §29-1-302(1), C.R.S.

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

WHEREAS, a public hearing was held on Tuesday, November 20, 2018 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; and

WHEREAS, pursuant to § 29-1-113(1), C.R.S., the Board shall cause a certified copy of the budget, including the budget message and any resolutions adopting the budget, appropriating

moneys and fixing the rate of any mill levy, to be filed with the Division within thirty (30) days following the beginning of the fiscal year of the budget adopted; and

WHEREAS, pursuant to § 32-1-1201, C.R.S., the Board shall determine in each year the amount of money necessary to be raised by taxation, taking into consideration those items required by law, and shall certify the rate so fixed to the board of county commissioners of each county within the District or having a portion of its territory within the District.

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 2019 Revenues and 2019 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2019, 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 2019. 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 Hill, President 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 Division.

Section 5. 2019 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 \$65,136 and that the 2018 valuation for assessment, as certified by the Eagle County Assessor, is \$9,629,890. That for the purposes of meeting all general operating expenses of the District during the 2019 budget year, there is hereby levied a tax of 6.764 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2019.

Section 6. 2019 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 \$521,083 and that the 2018 valuation for assessment, as certified by the Eagle County Assessor, is \$9,629,890. That for the purposes of meeting all debt retirement expenses of the District during the 2019 budget year, there is hereby

levied a tax of 54.111 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2019.

Section 7. Certification to County Commissioners. That the President 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 Ray.

RESOLUTION APPROVED AND ADOPTED THIS 20TH DAY OF NOVEMBER, 2018.

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2

John V. Hill
By: _____
John V. Hill
Its: President

ATTEST:

Anna Maria Ray
By: _____
Anna Maria Ray
Its: Assistant Sec'y

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 President 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 Tuesday, November 20, 2018, 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 2019; 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 20th day of November, 2018.




By: John V. Hill
Its: President

EXHIBIT A

Affidavit of Publication
Notice as to Proposed 2019 Budget

Ad #: 0000331951-01

Customer: ICENOGLE-SEAVER-POGUE A PROFESSIO

Your account number is: 5449421

**PROOF OF PUBLICATION
EAGLE VALLEY ENTERPRISE
STATE OF COLORADO
COUNTY OF EAGLE**

I, Pam Boyd, do solemnly swear that I am General Manager of the EAGLE VALLEY ENTERPRISE, that the same weekly newspaper printed, in whole or in part and published in the County of Eagle, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Eagle for a period of more than fifty-two consecutive weeks next prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as a periodical under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

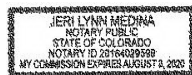
That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of 1 insertion; and that the first publication of said notice was in the issue of said newspaper dated 11/8/2018 and that the last publication of said notice was dated 11/8/2018 in the issue of said newspaper.

In witness whereof, I have here unto set my hand this day, 11/13/2018.

Pam Boyd, General Manager

Subscribed and sworn to before me, a notary public in and for the County of Eagle, State of Colorado this day 11/13/2018.

Jerilynn Medina, Notary Public
My Commission Expires: August 3, 2020



NOTICE AS TO PROPOSED 2019 BUDGET
AND HEARING
BUCKHORN VALLEY METROPOLITAN
DISTRICT NO. 2

NOTICE IS HEREBY GIVEN that a proposed budget has been submitted to the BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2 for the ensuing year of 2019. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen, LLP., 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the regular meeting of the Buckhorn Valley Metropolitan District No. 2 to be held at 7:30 A.M. on Tuesday, November 20, 2018. The meeting will be held at 11 Bridger Drive, Gypsum, Colorado. Any interested elector within the Buckhorn Valley Metropolitan District No. 2 may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2019 budget.

BY ORDER OF THE BOARD OF DIRECTORS:
BUCKHORN VALLEY METROPOLITAN DISTRICT
NO. 2

By: /s/ ICENOGLE SEAVER POGUE
A Professional Corporation

Publish In: Eagle Valley Enterprise
Publish On: Thursday, November 8, 2018
0000331951

EXHIBIT B

Budget Document
Budget Message



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

Accountant's Compilation Report

Board of Directors
Buckhorn Valley Metropolitan District No. 2

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Buckhorn Valley Metropolitan District No. 2 for the year ending December 31, 2019, including the estimate of comparative information for the year ending December 31, 2018, and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 4, 2019



An independent member of Nexia International

**BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/4/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 3,177	\$ 3,572	\$ 2,533
REVENUES			
Property taxes	413,387	541,274	586,219
Specific ownership tax	21,271	26,000	29,311
Interest income	81	280	50
Other revenue	-	-	3,000
Total revenues	<u>434,739</u>	<u>567,554</u>	<u>618,580</u>
Total funds available	<u>437,916</u>	<u>571,126</u>	<u>621,113</u>
EXPENDITURES			
General Fund	45,934	60,163	66,136
Debt Service Fund	388,410	508,430	554,977
Total expenditures	<u>434,344</u>	<u>568,593</u>	<u>621,113</u>
Total expenditures and transfers out requiring appropriation	<u>434,344</u>	<u>568,593</u>	<u>621,113</u>
ENDING FUND BALANCES	<u>\$ 3,572</u>	<u>\$ 2,533</u>	<u>\$ -</u>

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
PROPERTY TAX SUMMARY INFORMATION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/4/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
ASSESSED VALUATION			
Residential	\$ 5,694,430	\$ 7,722,040	\$ 8,554,200
Commercial	10,700	11,130	4,350
State assessed	104,230	104,410	100,830
Vacant land	1,701,670	1,053,980	970,510
Certified Assessed Value	<u>\$ 7,511,030</u>	<u>\$ 8,891,560</u>	<u>\$ 9,629,890</u>
MILL LEVY			
General	6.118	6.764	6.764
Debt Service	48.945	54.111	54.111
Total mill levy	<u>55.063</u>	<u>60.875</u>	<u>60.875</u>
PROPERTY TAXES			
General	\$ 45,952	\$ 60,143	\$ 65,136
Debt Service	367,627	481,131	521,083
Levied property taxes	<u>413,579</u>	<u>541,274</u>	<u>586,219</u>
Adjustments to actual/rounding	(192)	-	-
Budgeted property taxes	<u>\$ 413,387</u>	<u>\$ 541,274</u>	<u>\$ 586,219</u>
BUDGETED PROPERTY TAXES			
General	\$ 45,931	\$ 60,143	\$ 65,136
Debt Service	367,456	481,131	521,083
	<u>\$ 413,387</u>	<u>\$ 541,274</u>	<u>\$ 586,219</u>

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
GENERAL FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/4/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	45,931	60,143	65,136
Interest income	3	20	-
Other revenue	-	-	1,000
Total revenues	<u>45,934</u>	<u>60,163</u>	<u>66,136</u>
Total funds available	<u>45,934</u>	<u>60,163</u>	<u>66,136</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	1,378	1,803	1,954
Miscellaneous	3	-	-
Contingency	-	-	1,000
Transfer to BHV No. 1 - Service	44,553	58,360	63,182
Total expenditures	<u>45,934</u>	<u>60,163</u>	<u>66,136</u>
Total expenditures and transfers out requiring appropriation	<u>45,934</u>	<u>60,163</u>	<u>66,136</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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
DEBT SERVICE FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/4/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 3,177	\$ 3,572	\$ 2,533
REVENUES			
206320 Property taxes	367,456	481,131	521,083
206340 Specific ownership tax	21,271	26,000	29,311
206360 Interest income	78	260	50
206500 Other revenue	-	-	2,000
Total revenues	388,805	507,391	552,444
Total funds available	391,982	510,963	554,977
EXPENDITURES			
General and administrative			
207200 County Treasurer's fee	11,024	14,430	15,632
207490 Banking fees	629	100	100
207591 Paying agent fees	-	1,000	1,000
207890 Contingency	-	-	2,000
Debt Service			
207825 Bond interest - 2003 Bonds	75,163	98,300	94,631
207826 Bond interest - 2010 Bonds	301,594	394,600	441,614
Total expenditures	388,410	508,430	554,977
Total expenditures and transfers out requiring appropriation	388,410	508,430	554,977
ENDING FUND BALANCE	\$ 3,572	\$ 2,533	\$ -

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
2019 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, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

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 an 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, 2019, the adjusted maximum mill levy for debt service is 54.111 mills.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the Budget at the adopted mill levy imposed by the District.

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
2019 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 budget assumes that the District's share will be equal to approximately 5% 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 1.50%.

Expenditures

Administrative and Operating Expenditures

With the exception of paying agent and bank 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

Debt service payments on the District's Bonds in 2019 are 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, and to the extent interest on any Bond is not paid when due, such interest will compound semiannually on each interest payment date at the interest rate borne by such Bond. Between 2011 and 2015, the assessed value of the District decreased 72.7%. Therefore, future 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 and/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
2019 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 Taxes, (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 54.111 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, 2018, 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.

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

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases - (continued)

repaid from proceeds of the District's Series 2010 Bonds. As of December 31, 2018, the balance of accrued but unpaid interest on the Series 2008 bonds is \$2,536.065. As amounts are payable only from Subordinate Pledged Revenue after all debt service obligations on the senior debt have been fulfilled, 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.

Reserve Funds

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 2019, as defined under TABOR. Therefore, an Emergency Reserve is not provided for the 2019 budget.

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 budget.

**BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
SCHEDULE of BOND DEBT SERVICE REQUIREMENTS**

AS OF MARCH 1, 2003 AND THROUGH THE CALENDAR YEARS ENDING THROUGH 2023

<u>Series 2003 Bond Issue</u>		Scheduled Debt Service		Total 2003 Debt Service	Actual Principal Paid	Actual and Budgeted Interest Paid	Unpaid Principal	Unpaid Interest	Interest on Unpaid Interest	Total Accrued Interest Due	Bond Principal Outstanding	Total Debt Outstanding	Year
Year	Principal	Interest	Interest										
6/1/2003		43,750.00		43,750.00		(43,750.00)					2,500,000.00	2,500,000.00	6/1/2003
12/1/2003		87,500.00		87,500.00		(87,500.00)					2,500,000.00	2,500,000.00	12/1/2003
6/1/2004		87,500.00		87,500.00		(87,500.00)					2,500,000.00	2,500,000.00	6/1/2004
12/1/2004		87,500.00		87,500.00		(87,500.00)					2,500,000.00	2,500,000.00	12/1/2004
6/1/2005		87,500.00		87,500.00		(87,500.00)					2,500,000.00	2,500,000.00	6/1/2005
12/1/2005		87,500.00		87,500.00		(87,500.00)					2,500,000.00	2,500,000.00	12/1/2005
6/1/2006		87,500.00		87,500.00		(87,500.00)					2,500,000.00	2,500,000.00	6/1/2006
12/1/2006		87,500.00		87,500.00		(87,500.00)					2,500,000.00	2,500,000.00	12/1/2006
6/1/2007	440,000.00	87,500.00		87,500.00	(440,000.00)	(87,500.00)					2,500,000.00	2,500,000.00	6/1/2007
12/1/2007		87,500.00		87,500.00		(87,500.00)					2,060,000.00	2,060,000.00	12/1/2007
6/1/2008		72,100.00		72,100.00		(72,100.00)					2,060,000.00	2,060,000.00	6/1/2008
12/1/2008		72,100.00		72,100.00		(72,100.00)					2,060,000.00	2,060,000.00	12/1/2008
6/1/2009		72,100.00		72,100.00		(72,100.00)					2,060,000.00	2,060,000.00	6/1/2009
12/1/2009		72,100.00		72,100.00		(72,100.00)					2,060,000.00	2,060,000.00	12/1/2009
6/1/2010		72,100.00		72,100.00		(72,100.00)					2,060,000.00	2,060,000.00	6/1/2010
12/1/2010		72,100.00		72,100.00		(72,100.00)					2,060,000.00	2,060,000.00	12/1/2010
6/1/2011		72,100.00		72,100.00		(72,100.00)					2,060,000.00	2,060,000.00	6/1/2011
12/1/2011		72,100.00		72,100.00		(72,100.00)					2,060,000.00	2,060,000.00	12/1/2011
6/1/2012	5,000.00	72,100.00		72,100.00	(5,000.00)	(72,100.00)					2,060,000.00	2,060,000.00	6/1/2012
12/1/2012		72,100.00		72,100.00		(72,100.00)					2,055,000.00	2,055,000.00	12/1/2012
6/1/2013		71,925.00		71,925.00		(71,925.00)					2,055,000.00	2,055,000.00	6/1/2013
12/1/2013		71,925.00		71,925.00		(71,925.00)				54,982.00	2,055,000.00	2,055,000.00	12/1/2013
6/1/2014		71,925.00		71,925.00		(71,925.00)		54,982.00	1,924.37	128,831.37	2,055,000.00	2,109,982.00	6/1/2014
12/1/2014		71,925.00		71,925.00		(71,925.00)		71,925.00	4,509.10	205,265.47	2,055,000.00	2,183,831.37	12/1/2014
6/1/2015		71,925.00		71,925.00		(71,925.00)		71,925.00	7,184.29	284,374.76	2,055,000.00	2,260,265.47	6/1/2015
12/1/2015		71,925.00		71,925.00		(71,925.00)		71,925.00	9,953.12	332,293.88	2,055,000.00	2,339,374.76	12/1/2015
6/1/2016		71,925.00		71,925.00		(71,925.00)		37,966.00	11,630.29	382,086.16	2,055,000.00	2,387,293.88	6/1/2016
12/1/2016		71,925.00		71,925.00		(71,925.00)		38,162.00	13,373.02	418,184.18	2,055,000.00	2,437,086.16	12/1/2016
6/1/2017		71,925.00		71,925.00		(71,925.00)		22,725.00	14,636.45	478,782.62	2,055,000.00	2,473,184.18	6/1/2017
12/1/2017		71,925.00		71,925.00		(71,925.00)		45,962.00	16,757.39	506,448.62	2,055,000.00	2,533,782.62	12/1/2017
6/1/2018		71,925.00		71,925.00		(71,925.00)		10,908.60	17,725.70	558,815.72	2,055,000.00	2,561,448.62	6/1/2018
12/1/2018		71,925.00		71,925.00		(71,925.00)		34,641.40	19,558.55	602,983.77	2,055,000.00	2,613,815.72	12/1/2018
6/1/2019		71,925.00		71,925.00		(71,925.00)		24,609.50	21,104.43	648,697.70	2,055,000.00	2,657,983.77	6/1/2019
12/1/2019		71,925.00		71,925.00		(71,925.00)		24,609.50			2,055,000.00	2,703,697.70	12/1/2019
6/1/2020	65,000.00	71,925.00		71,925.00		(71,925.00)							6/1/2020
12/1/2020		71,925.00		71,925.00		(71,925.00)							12/1/2020
6/1/2021	100,000.00	69,650.00		69,650.00		(69,650.00)							6/1/2021
12/1/2021		69,650.00		69,650.00		(69,650.00)							12/1/2021
6/1/2022	110,000.00	66,150.00		66,150.00		(66,150.00)							6/1/2022
12/1/2022		66,150.00		66,150.00		(66,150.00)							12/1/2022
6/1/2023	1,780,000.00	62,300.00		62,300.00		(62,300.00)							6/1/2023
12/1/2023		62,300.00		62,300.00		(62,300.00)							12/1/2023
	2,500,000.00	3,099,250.00		5,599,250.00	(445,000.00)	(2,048,859.00)	-	510,341.00	138,356.70				

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
SCHEDULE OF BOND DEBT SERVICE REQUIREMENTS**

AS OF MAY 24, 2010 AND THROUGH THE CALENDAR YEARS ENDING THROUGH 2039

Series 2010 Bond Issue		Total 2005 Bonds Debt Service		Actual and Budgeted Interest Paid		Unpaid Principal		Interest on Unpaid Principal		Unpaid Interest		Interest on Unpaid Interest		Total Accrued Interest Due		Bond Principal Outstanding		Total Debt Outstanding		Year	
Dated: May 24, 2010		Interest		Principal Paid		Principal		on Unpaid Principal		Interest		on Unpaid Interest		Interest Due		Outstanding		Outstanding		Year	
Year	Principal	Interest	Total	Actual	Budgeted	Unpaid	Interest on Unpaid	Unpaid	Interest on Unpaid	Unpaid	Interest on Unpaid	Total	Bond	Total	Bond	Total	Year				
12/1/2010		313,978.33	313,978.33	(613,978.33)									7,370,000.00	7,370,000.00	7,370,000.00	12/1/2010					
6/1/2011		303,850.00	303,850.00	(303,850.00)									7,370,000.00	7,370,000.00	7,370,000.00	6/1/2011					
12/1/2011		303,850.00	303,850.00	(303,850.00)									7,370,000.00	7,370,000.00	7,370,000.00	12/1/2011					
6/1/2012		303,850.00	303,850.00	(303,850.00)									7,370,000.00	7,370,000.00	7,370,000.00	6/1/2012					
12/1/2012	70,000.00	303,850.00	373,850.00	(70,000.00)									7,440,000.00	7,440,000.00	7,440,000.00	12/1/2012					
6/1/2013		301,312.50	301,312.50	(301,312.50)									7,440,000.00	7,440,000.00	7,440,000.00	6/1/2013					
12/1/2013	80,000.00	301,312.50	381,312.50	(80,000.00)		23,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2013					
6/1/2014		298,412.50	298,412.50	(298,412.50)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2014					
12/1/2014	85,000.00	298,412.50	383,412.50	(85,000.00)		85,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2014					
6/1/2015		295,331.25	295,331.25	(295,331.25)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2015					
12/1/2015	90,000.00	295,331.25	385,331.25	(90,000.00)		90,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2015					
6/1/2016		292,068.75	292,068.75	(292,068.75)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2016					
12/1/2016	95,000.00	292,068.75	387,068.75	(95,000.00)		95,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2016					
6/1/2017		288,625.00	288,625.00	(288,625.00)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2017					
12/1/2017	105,000.00	288,625.00	393,625.00	(105,000.00)		105,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2017					
6/1/2018		284,818.75	284,818.75	(284,818.75)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2018					
12/1/2018	115,000.00	284,818.75	399,818.75	(115,000.00)		115,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2018					
6/1/2019		280,650.00	280,650.00	(280,650.00)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2019					
12/1/2019	110,000.00	280,650.00	390,650.00	(110,000.00)		110,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2019					
6/1/2020		276,662.50	276,662.50	(276,662.50)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2020					
12/1/2020	130,000.00	276,662.50	406,662.50	(130,000.00)		130,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2020					
6/1/2021		271,950.00	271,950.00	(271,950.00)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2021					
12/1/2021	140,000.00	271,950.00	411,950.00	(140,000.00)		140,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2021					
6/1/2022		266,875.00	266,875.00	(266,875.00)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2022					
12/1/2022	150,000.00	266,875.00	416,875.00	(150,000.00)		150,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2022					
6/1/2023		261,437.50	261,437.50	(261,437.50)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2023					
12/1/2023	160,000.00	261,437.50	421,437.50	(160,000.00)		160,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2023					
6/1/2024		255,637.50	255,637.50	(255,637.50)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2024					
12/1/2024	170,000.00	255,637.50	425,637.50	(170,000.00)		170,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2024					
6/1/2025		249,475.00	249,475.00	(249,475.00)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2025					
12/1/2025	170,000.00	249,475.00	419,475.00	(170,000.00)		170,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2025					
6/1/2026		242,250.00	242,250.00	(242,250.00)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2026					
12/1/2026	185,000.00	242,250.00	427,250.00	(185,000.00)		185,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2026					
6/1/2027		234,387.50	234,387.50	(234,387.50)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2027					
12/1/2027	200,000.00	234,387.50	434,387.50	(200,000.00)		200,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2027					
6/1/2028		225,887.50	225,887.50	(225,887.50)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2028					
12/1/2028	215,000.00	225,887.50	440,887.50	(215,000.00)		215,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2028					
6/1/2029		216,750.00	216,750.00	(216,750.00)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2029					
12/1/2029	235,000.00	216,750.00	451,750.00	(235,000.00)		235,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2029					
6/1/2030		206,762.50	206,762.50	(206,762.50)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2030					
12/1/2030	315,000.00	206,762.50	521,762.50	(315,000.00)		315,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2030					
6/1/2031		193,375.00	193,375.00	(193,375.00)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2031					
12/1/2031	350,000.00	193,375.00	543,375.00	(350,000.00)		350,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2031					
6/1/2032		178,500.00	178,500.00	(178,500.00)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2032					
12/1/2032	380,000.00	178,500.00	558,500.00	(380,000.00)		380,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2032					
6/1/2033		162,350.00	162,350.00	(162,350.00)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2033					
12/1/2033	425,000.00	162,350.00	587,350.00	(425,000.00)		425,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2033					
6/1/2034		144,287.50	144,287.50	(144,287.50)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2034					
12/1/2034	460,000.00	144,287.50	604,287.50	(460,000.00)		460,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2034					
6/1/2035		124,737.50	124,737.50	(124,737.50)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2035					
12/1/2035	500,000.00	124,737.50	624,737.50	(500,000.00)		500,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2035					
6/1/2036		103,487.50	103,487.50	(103,487.50)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2036					
12/1/2036	535,000.00	103,487.50	638,487.50	(535,000.00)		535,000.00							7,497,000.00	7,497,000.00	7,497,000.00	12/1/2036					
6/1/2037		80,750.00	80,750.00	(80,750.00)									7,497,000.00	7,497,000.00	7,497,000.00	6/1/2037					

EXHIBIT C

Certification of Tax Levy

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of EAGLE COUNTY, Colorado.

On behalf of the BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B

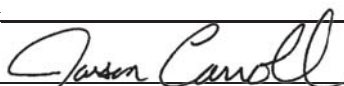
of the BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 9,629,890 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F 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: \$ 9,629,890 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/07/2018 for budget/fiscal year 2019
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	6.764 mills	\$ 65,136
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	6.764 mills	\$ 65,136
3. General Obligation Bonds and Interest ^J	54.111 mills	\$ 521,083
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	60.875 mills	\$ 586,219

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) 864-7720.

¹ 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.
² 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).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|----|-------------------|--|
| 1. | Purpose of Issue: | Capital Infrastructure |
| | Series: | Series 2003 GO Limited Tax Bonds |
| | Date of Issue: | March 1, 2003 |
| | Coupon Rate: | 7.00% |
| | Maturity Date: | December 1, 2023 |
| | Levy: | 9.549 |
| | Revenue: | \$91,956 |
| | | |
| 2. | Purpose of Issue: | Capital Infrastructure |
| | Series: | Series 2008 Subordinate Limited Tax GO Bonds |
| | Date of Issue: | February 13, 2008 |
| | Coupon Rate: | 6.00% |
| | Maturity Date: | December 1, 2038 |
| | Levy: | 0.000 |
| | Revenue: | \$0 |
| | | |
| 3. | Purpose of Issue: | Refunding and Capital Improvements |
| | Series: | Series 2010 GO Limited Tax Refunding and Improvement Bonds |
| | Date of Issue: | May 20, 2010 |
| | Coupon Rate: | 7.25%-8.50% |
| | Maturity Date: | December 1, 2039 |
| | Levy: | 44.562 |
| | Revenue: | \$429,127 |

CONTRACTS^K:

- | | | |
|----|----------------------|-------|
| 4. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

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 20th day of November, 2018.


By: John V. Hill
Its: President

