

**BUCKHORN VALLEY METROPOLITAN DISTRICT NO 2
RESOLUTION TO AMEND 2025 BUDGET**

WHEREAS, on November 19, 2024, the Board of Directors (“Board”) of Buckhorn Valley Metropolitan District No. 2 (“District”) adopted a budget and appropriated funds for the 2025 fiscal year; and

WHEREAS, in On June 03, 2025, the District entered into a settlement agreement with David Garton Jr whereby (1) the District agreed to release and discharge all of its claims against David Garton, Jr., Sande Garton, Robert Kingston, Mallie Kingston, Samantha Gale, Stephen Kelley, Scott Green, John Hill, Gayl Hill, and Anna Maria Ray (“Individuals”) and (2) David Garton, Jr. agreed to accept \$1 million in cash in exchange for settling in full all outstanding principal and accrued interest (totaling \$10,086,171 as of June 03, 2025) on the 2008 bonds. The District and the Individuals also agreed to (1) bear their own costs and attorney fees related to the litigation and (2) unconditionally release each other from any and all claims and future claims against each party that are in any way related to the lawsuit; and

WHEREAS, June 04, 2025, the District entered into a settlement agreement with Buckhorn Valley Metropolitan District No 1 (BVMD1) whereby both parties agreed to enter into an amended and restated DFCSA and both parties agreed to bear their own costs and attorney fees related to the litigation that existed between the two parties. In addition, both parties agreed to release and discharge all claims against each other – including the \$494,507 award granted by District Court to the District against BVMD1 – and the District and BVMD1 mutually agreed to dismiss all remaining unresolved litigation claims that remain with District Court. The ARFAA was also effectively cancelled through this settlement agreement. The District also agreed to dismiss all claims filed in Colorado Court of Appeals against BVMD1; and

WHEREAS, the settlement agreements entered into between the District and David Garton, BVMD1 and BV Firewheel, respectively, created a financial opportunity for the District to refinance all of its existing bond debt (Series 2003 Bonds, Series 2008 Bonds and Series 2010 Bonds) into a new Series 2025 bond debt.

WHEREAS, the District expects to issue Series 2025 Bonds totaling approximately \$16,515,000 and such bond proceeds will be used to (1) repay the District’s Series 2003 Bonds, Series 2008 Bonds and Series 2010 Bonds, (2) costs related to refinancing the debt and (3) funding approximately \$700,000 in professional fees and costs related to settling litigation that allowed for the refinancing of the District’s debt.

NOW, THEREFORE, BE IT RESOLVED the Board hereby adopts a supplemental budget and appropriation of expenditures and revenues for the 2025 fiscal year as follows:

1. The estimated expenditures and transfers out for the debt fund is as follows:

| | Original | Amended |
|-----------|--------------|---------------|
| Debt Fund | \$ 1,368,200 | \$ 17,927,500 |

2. That estimated revenues and surplus funds attributable to the debt fund is as follows:

| Debt Fund: | Original | Amended |
|--|---------------------|----------------------|
| From unappropriated surpluses | \$ - | \$ 18,700 |
| From revenue sources other than property tax | 74,400 | 100,000 |
| From general property tax | 1,293,800 | 1,293,800 |
| From Series 2025 Bond proceeds | - | 16,515,000 |
| Subtotal | \$ 1,368,200 | \$ 17,927,500 |

BE IT FURTHER RESOLVED that such budgeted expenditures within the debt fund is hereby appropriated for expenditure from any available funds within the debt fund in accordance with the provisions of 29-1-109 CRS.

Adopted this 15th day of July 2025.

BUCKHORN VALLEY
METROPOLITAN DISTRICT NO 2

DocuSigned by:
By: Nick Viau
68444758BB1948E...
Nick Viau, President

ATTEST:
DocuSigned by:
By: Angela Heuman
2FE259CBA959406...
Angela Heuman, Treasurer