

CORNERSTONE METROPOLITAN DISTRICT NO. 2

Via email – dlq-filing@state.co.us

January 31, 2011

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203

RE: Cornerstone Metropolitan District No. 2

LG ID# 65391

Attached is the 2011 Budget for the Cornerstone Metropolitan District No. 2 in Montrose and Ouray Counties, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on November 9, 2010. If there are any questions on the budget, please contact Mr. Eric Weaver, telephone number 970-926-6060 Ext. 6.

The mill levy certified to the County Commissioners of Montrose and Ouray Counties is 0.000 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 25.000 mills for G.O. bonds; 14.000 mills for contractual obligations, 0.000 mills for refund/abatement; and 0.00 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$18,168,549 (\$3,520,289 in Montrose County and \$14,648,260 in Ouray County), the total property tax revenue is \$708,573 (\$137,291 from Montrose County and \$571,282 from Ouray County). A copy of the certification of mill levies sent to the County Commissioners for Montrose and Ouray Counties is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Ouray and Montrose Counties, Colorado.

Sincerely,



Eric Weaver
District Administrator

Enclosure(s)

CORNERSTONE METROPOLITAN DISTRICT NO. 2

2011 BUDGET MESSAGE

Cornerstone Metropolitan District No. 2 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide funding for the financing and operations of facilities being constructed and operated by Cornerstone Metropolitan District No. 1.

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

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2011 BUDGET STRATEGY

The District's strategy in preparing the budget is to strive to provide the type of public-purpose facilities desired by the property owners and residents of the District in the most economic manner possible. Virtually all services needed by the District will be provided by the Cornerstone Metropolitan District No. 1 pursuant to the District Facilities and Construction Service Agreement. The District is levying a contractual obligation mill levy which will be collected and transferred to Cornerstone Metropolitan District No. 1 to be used to fund the operations associated with the facilities installed and maintained for the benefit of the constituents of the District. Additionally, the District is levying a debt service mill levy to pay for the debt service on the District's bonded indebtedness, issued in 2010.

RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 2

TO ADOPT 2011 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE CORNERSTONE METROPOLITAN DISTRICT NO. 2, 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 of the Cornerstone Metropolitan District No.2 has appointed a budget committee to prepare and submit a proposed 2011 budget at the proper time; and

WHEREAS, such committee has submitted a proposed budget to this governing body at the proper time, for its consideration, and;

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on November 9, 2010 and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of directors of the Cornerstone Metropolitan District No.2, Montrose and Ouray Counties, Colorado:

Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Cornerstone Metropolitan District No.2 for the year stated above.

Section 2. That the budget hereby approved and adopted shall be certified by any officer or the District Administrator of the District and made a part of the public records of the District.

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RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO.2
(CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2011, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE CORNERSTONE METROPOLITAN DISTRICT NO.2, MONTROSE AND OURAY COUNTIES, COLORADO, FOR THE 2011 BUDGET YEAR.

WHEREAS, the Board of Directors of the Cornerstone Metropolitan District No. 2, has adopted the annual budget in accordance with the Local Government Budget Law, on November 9, 2010 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses purposes from property tax revenue is \$0.00 and;

WHEREAS, the Cornerstone Metropolitan District No. 2 finds that it is required to temporarily lower the general operating mill levy to render a refund for \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for contractual obligations approved at election is \$254,360 and;

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue approved by voters or at public hearing is \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is \$454,214.

WHEREAS, the 2010 valuation for assessment for the Cornerstone Metropolitan District No. 2, as certified by the Montrose County Assessor is \$3,520,289, and

WHEREAS, the 2010 valuation for assessment for the Cornerstone Metropolitan District No. 2, as certified by the Ouray County Assessor is \$14,648,260

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the CORNERSTONE METROPOLITAN DISTRICT, MONTROSE AND OURAY COUNTIES, COLORADO:

Section 1. That for the purposes of meeting all general operating expenses of the Cornerstone Metropolitan District No.2 during the 2011 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2010.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2011 there is hereby levied a temporary tax credit/mill levy reduction of 0.00 mills.

RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 2
(CONTINUED)

TO SET MILL LEVIES (CONTINUED)

- Section 3. That for the purpose of meeting all capital expenditures of the Cornerstone Metropolitan District No.2 during the 2011 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2010.
- Section 4. That for the purpose of meeting all payments for bonds and interest of the Cornerstone Metropolitan District No. 2 during the 2011 budget year, there is hereby levied a tax of 25.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2010.
- Section 5. That for the purpose of meeting the contractual obligations of the Cornerstone Metropolitan District No. 2 during the 2011 budget year, there is hereby levied a tax of 14.00 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2010.
- Section 6. That any officer or the District Administrator is hereby authorized and directed to either immediately certify to the County Commissioners of Montrose County and Ouray County, Colorado, the mill levies for the Cornerstone Metropolitan District No.2 as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Montrose County and Ouray County, Colorado, the mill levies for the Cornerstone Metropolitan District No. 2 as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

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RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 2
(CONTINUED)

TO APPROPRIATE SUMS OF MONEY
(PURSUANT TO SECTION 29-1-108, C.R.S.)

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE CORNERSTONE METROPOLITAN DISTRICT NO. 2, MONTROSE COUNTY AND OURAY COUNTY, COLORADO, FOR THE 2011 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on November 9, 2010, and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal or greater to the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORNERSTONE METROPOLITAN DISTRICT NO. 2, MONTROSE COUNTY AND OURAY COUNTY, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

DEBT SERVICE FUND:	
Current Debt Service Expenditures	\$ 1,674,379
TOTAL DEBT SERVICE FUND:	\$ 1,674,379

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RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 2
(CONTINUED)

TO ADOPT 2011 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)

The above resolutions to adopt the 2011 budget, set the mill levies and to appropriate sums of money were adopted this 9th day of November, 2010.

Attest: _____



Title: _____

PRESIDENT

ROBERTSON & MARCHETTI, P.C.

Certified Public Accountants

November 8, 2010

Board of Directors
Cornerstone Metropolitan District No.2

I have compiled the accompanying combined balance sheet of Cornerstone Metropolitan District No.2 as of September 30, 2010 and the related statement of revenues, expenditures and changes in fund balance with budgets for the nine month period then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. I also compiled the accompanying budget and forecast of revenues, expenditures and changes in fund balance for calendar year 2010 and the 2011 adopted budget in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation of historical financial statements is limited to presenting in the form of financial statements information that is the representation or management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

A compilation of a forecasted financial statement 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. I have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying forecasted statement or assumptions. 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. I have no responsibility to update this report for events or circumstances occurring after the date of this report.

Management has elected to omit substantially all of the disclosures as of September 30, 2010, required by generally accepted accounting principles. Management has also 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 historical financial statements and if the summary of significant accounting policies were included in the budget and forecast, they might influence the user's conclusions about the District's historical financial position and results of operations and the forecasted results of operations and fund balances. Accordingly, the historical financial statements and forecast are not designed for those who are not informed about such matters.

I also compiled the accompanying 2009 historical financial statements of the District and my report thereon stated that I did not audit or review those financial statements and, accordingly, expressed no opinion or other form of assurance on them. The report noted that management had elected to omit substantially all disclosures and if these omissions had been included, they might influence the user's conclusions about the District's 2009 financial position and results of operations. Accordingly, the 2009 financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Cornerstone Metropolitan District No.2

ROBERTSON & MARCHETTI, P.C.



Eric Weaver, CPA
Vice President

CORNERSTONE METROPOLITAN DISTRICT NO. 2
COMBINED BALANCE SHEET
September 30, 2010

	IGA DEBT SVC FUND	BOND DEBT SVC FUND	LONG-TRM DEBT	TOTAL
<u>ASSETS</u>				
Csafe	4,676	-	-	4,676
Pooled Cash				-
Reserve Fund- 2010A				-
Subordinate Revenue Fund- 2010B				-
Subordiante Revenue Fund- 2010B				-
Cost of Issuance Fund-2010A				-
Cost of Issuance Fund-2010B				-
Due from Montrose Co. Treasurer			-	-
Due from Ouray County Treasurer			-	-
Property Taxes Receivable Montrose	2,411			2,411
Property Taxes Receivable Ouray	6,742			6,742
TOTAL ASSETS	13,829	-	-	13,829
<u>LIABILITIES AND NET ASSETS</u>				
LIABILITIES				
Accounts Payable				-
Due to District No. 1- Ops	1,554			1,554
Due to District No. 1- DS	2,774			2,774
Deferred Property Tax Revenue Montrose	2,411			2,411
Deferred Property Tax Revenue Ouray	6,742			6,742
Bonds Payable-2010A				-
Bonds Payable 2010B				-
TOTAL LIABILITIES	13,481	-	-	13,481
NET ASSETS				
Amount to be Provided Bonds				-
Fund Balance- Restricted For Debst Service		-		-
Fund Balance- UnRestricted	348			348
TOTAL NET ASSETS	348	-	-	348
TOTAL LIABILITIES AND NET ASSETS	13,829	-	-	13,829
	=	=	=	=

SEE ACCOMPANYING ACCOUNTANT'S REPORT

PAGE 1

CORNERSTONE METROPOLITAN DISTRICT NO. 2
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED

Modified
 Accrual
 Basis

CONTRACTUAL OBLIGATIONS DEBT SERVICE FUND	2009 Unaudited Actual	2010 Adopted Budget	Budget Increase (Decrease)	2010 Amended Budget	2010 Forecast	9 Months Ended 09/30/10 Actual	9 Months Ended 09/30/10 Budget	Variance Favorable (Unfav)	2011 Adopted Budget	Budget Assumptions
Mill Levy- Contractual- Operations		14,000			14,000				14,000	
Mill Levy- Contractual - Debt Service		25,000			25,000				0,000	
Assessed Valuation Montrose		3,794,859			3,794,859				3,520,289	
Assessed Valuation Ouray		<u>14,794,890</u>			<u>14,794,890</u>				<u>14,648,260</u>	
REVENUES										
Prop Taxes- Montrose Ops	19,409	53,128	-	53,128	53,128	52,263	53,128	(865)	49,284	
Prop Taxes- Ouray Ops	143,089	207,128	-	207,128	207,128	204,708	207,128	(2,420)	205,076	
Prop. Taxes- Montrose DS	34,659	94,871	-	94,871	94,871	93,326	94,871	(1,546)	-	
Prop. Taxes- Ouray DS	255,515	369,872	-	369,872	369,872	365,550	369,872	(4,322)	-	
Specific Ownership- Montrose	6,819	19,240	-	19,240	15,450	10,309	12,827	(2,518)	4,928	10% of Ppty Taxes
Specific Ownership- Ouray	25,364	34,620	-	34,620	38,250	25,538	23,080	2,458	12,305	6% of Ppty Taxes
Development Fees		-	-	-	-	-	-	-	-	
Interest Income/ Contingency	718	1,000	-	1,000	3,000	2,411	750	1,661	1,000	
TOTAL REVENUES	485,572	779,860	-	779,860	781,700	754,105	761,657	(7,552)	272,593	
EXPENSES										
Treasurer's Fees Montrose	1,081	2,960	-	2,960	2,960	2,912	2,960	48	986	2% of taxes
Treasurer's Fees Ouray	11,910	17,310	-	17,310	17,310	17,143	17,310	167	6,152	3% of taxes
Xfer to No. 1 Operations	169,638	272,314	-	272,314	273,314	263,489	265,870	2,381	264,455	
Xfer to No. 1 Capital/Debt Svc	302,925	486,276	-	486,276	488,061	470,516	474,767	4,251	-	Now used for #2 DS
Trfr to No. 1- Development Fees		-	-	-	-	-	-	-	-	
Contingency		1,000	-	1,000	-		750	750	1,000	
TOTAL EXPENDITURES	485,554	779,860	-	779,860	781,645	754,060	761,657	7,597	272,593	
REVENUE OVER (UNDER) EXPEND.	18	-	-	-	55	45	-	45	0	
OTHER FINANCING SOURCES/(USES)										
Inter-Fund Transfer for Senior Bond Fund		-	-	-	-		-	-		
TOTAL OTHER FINANCING SOURCES	-	-	-	-	-	-	-	-	0	
FUND BALANCE - BEGINNING	285	335	(32)	303	303	303	335	(32)	358	
FUND BALANCE - ENDING	303	335	(32)	303	358	348	335	13	358	

CORNERSTONE METROPOLITAN DISTRICT NO. 2
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED

Modified
 Accrual
 Basis

SENIOR & SUBORDINATE BOND DEBT SERVICE FUND	2009 Unaudited Actual	2010 Adopted Budget	Budget Increase (Decrease)	2010 Amended Budget	2010 Forecast	9 Months Ended 09/30/10 Actual	9 Months Ended 09/30/10 Budget	Variance Favorable (Unfav)	2011 Adopted Budget	Budget Assumptions
Mill Levy- Bond Debt Service		0.000		0.000	0.000				25,000	
Assessed Valuation Montrose		3,794,859		3,794,859	3,794,859				3,520,289	
Assessed Valuation Ouray		<u>14,794,890</u>		<u>14,794,890</u>	<u>14,794,890</u>				<u>14,648,260</u>	
# of Lots Sold									7	Per Bernstein plan
Development Fee Per Lot Sale									26,000	Per Bernstein plan
REVENUES										
Prop Taxes- Montrose		-	-	-	-				88,007	25 Mills
Prop Taxes- Ouray		-	-	-	-				366,207	25 Mills
Specific Ownership- Montrose		-	-	-	-				8,801	10% of Ppty Taxes
Specific Ownership- Ouray		-	-	-	-				21,972	6% of Ppty Taxes
Development Fees		-	26,000	26,000	26,000				182,000	Lot Sales X Dev Fee Amt
Prepaid Development Fees		-	192,583	192,583	189,899				-	
Interest Income		-	-	-	-				12,215	0.5% of Fund Balance
TOTAL REVENUES	-	-	218,583	218,583	215,899	-	-	-	679,202	
EXPENSES										
Treasurer's Fees Montrose		-	-	-	-				1,760	2% of taxes
Treasurer's Fees Ouray		-	-	-	-				10,986	3% of taxes
Series 2010 Senior Bonds- Principal									0	Assumed No Pmt Due
Series 2010 Senior Bonds- Interest									416,000	\$5.2M at 8%
Wire Fees									3,540	Same as Old # 1 Bonds
Paying Agent Fees									3,500	Same as Old # 1 Bonds
Rating Agent Fees									2,000	Same as Old # 1 Bonds
Remarketing Fees									34,000	0.2% Fee Paid to DA Davidson
Letter of Credit Fee									595,000	\$17M @ 3.5%
Series 2010 Sub Bonds- Principal									0	Assumed No Pmt Due
Series 2010 Sub Bonds- Interest									85,000	\$17 M @ 0.5%
Contingency		-	-	-	-				250,000	In case of interest rate rise
TOTAL EXPENDITURES	-	-	-	-	-	-	-	-	1,401,786	
REVENUE OVER (UNDER) EXPEND.	-	-	218,583	218,583	215,899	-	-	-	(722,585)	
OTHER FINANCING SOURCES/(USES)										
Bond Proceeds- 2010A		-	5,200,000	5,200,000	5,200,000				-	
Bond Proceeds- 2010B		-	17,000,000	17,000,000	17,000,000				-	
Bond Cost of Issuance		-	(495,309)	(495,309)	(495,309)				-	
Inter-District Contributions		-	15,000	15,000	15,000				-	
Xfer of Net Bond Proceeds to No. 1		-	(19,511,388)	(19,511,388)	(19,492,599)				-	
TOTAL OTHER FINANCING SOURCES	-	-	2,208,303	2,208,303	2,227,092	-	-	-	0	
FUND BALANCE - BEGINNING	-	-	-	-	-	-	-	-	2,442,991	
FUND BALANCE - ENDING	-	-	2,426,886	2,426,886	2,442,991	-	-	-	1,720,406	
FUND BALANCE DETAIL	=	=	=	=	=	=	=	=	=	
2010 Senior Bond Resere Fund			520,000	520,000	520,000				520,000	
Reserved for Future Debt Service			1,906,886	1,906,886	1,922,991				1,200,406	
TOTAL FUND BALANCE	-	0	2,426,886	2,426,886	2,442,991	0	0	0	1,720,406	

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Montrose County, Colorado.

On behalf of the Cornerstone Metropolitan District No. 2, the Board of Directors of the Cornerstone Metropolitan District No. 2

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: (Gross assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)

\$ 3,520,289

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area 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: (NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

\$ 3,520,289


Submitted: December 10, 2010
(not later than Dec 15) (dd/mm/yyyy)

for budget/fiscal year 2011
(yyyy)

PURPOSE	LEVY ²	REVENUE ²
1. General Operating Expenses	<u>0.000</u> mills	\$ <u>-</u>
2. (MINUS) Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	<u>0.000</u> mills	\$ <u>-</u>
SUBTOTAL FOR GENERAL OPERATING:	<u>0.000</u> mills	\$ <u>-</u>
3. General Obligation Bonds and Interest [Special Districts must certify separately for each debt pursuant to 29-1-301(1.7),C.R.S.; see page 2 of this form.]	<u>25.000</u> mills	\$ <u>88,007.23</u>
4. Contractual Obligations Approved at Election [Per 29-1-301(1.7) C.R.S.]	<u>14.000</u> mills	\$ <u>49,284.05</u>
5. Capital Expenditures [These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities <u>through public hearing</u> pursuant to 29-1-301(1.2)C.R.S. and for special districts <u>through approval from the Division of Local Government</u> pursuant to 29-1-302(1.5)C.R.S. or for any taxing entity if <u>approved at election.</u>]	<u>0.000</u> mills	\$ <u>-</u>
6. Refunds/Abatements	<u>0.000</u> mills	\$ <u>-</u>
7. Other (specify): _____ [These levies and revenues are for purposes not subject to 29-1-301 C.R.S. that were not reported above]	<u>0.000</u> mills	\$ <u>-</u>
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>39.000</u> mills	\$ <u>137,291.28</u>

Contact person: Eric Weaver, CPA

Daytime phone: (970) 926-6060 x6

Signed: 

Title: District Administrator

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, Colorado 80203. Questions? Call DLG (303) 866-2156.

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
CORNERSTONE METROPOLITAN DISTRICT NO. 2

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 revenue 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:

1. Purpose of Issue:

Refund a portion of the Cornerstone Metropolitan District No. 1 2006 Bonds
Series: 2010A
Date of Issue: December 15, 2010 (Anticipated)
Coupon rate: Estimated to be 8% (Anticipated)
Maturity Date: December 1, 2040 (Anticipated)
Levy: 21.943
Revenue: \$77,244.58

2. Purpose of Issue:

Refund a portion of the Cornerstone Metropolitan District No. 1 2006 Bonds
Series: 2010B
Date of Issue: December 15, 2010 (Anticipated)
Coupon rate: Variable- Adjusted Weekly, Assumed to Average 0.50% (Anticipated)
Maturity Date: December 1, 2046 (Anticipated)
Levy: 3.057
Revenue: \$10,762.65

3. Purpose of Issue:

N/A
Series:
Date of Issue:
Coupon rate:
Maturity Date:
Levy: 0.000
Revenue: \$0.00

CONTRACTS:

4. Purpose of Contract:

Title: District Facilities Construction and Service Agreement
Date: December 16, 2004
To provide for the implementation of principals and objectives in the Service Plan regarding financing, construction, operation and maintenance of facilities, and administration of the District's affairs
Principal Amount:
Maturity Date: None Stated
Levy: 14.000
Revenue: \$49,284.05

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

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Ouray County, Colorado.

On behalf of the Cornerstone Metropolitan District No. 2, the Board of Directors of the Cornerstone Metropolitan District No. 2

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS

assessed valuation of: (Gross assessed valuation, Line 2 of the Certification of Valuation Form DLG 57) \$ 14,648,260

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a

Tax Increment Financing (TIF) Area 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: (NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) \$ 14,648,260

Submitted: December 10, 2010
(not later than Dec 15) (dd/mm/yyyy)

for budget/fiscal year 2011
(yyyy)

PURPOSE	LEVY ²	REVENUE ²
1. General Operating Expenses	<u>0.000</u> mills	\$ <u>-</u>
2. (MINUS) Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	<u>0.000</u> mills	\$ <u>-</u>
SUBTOTAL FOR GENERAL OPERATING:	<u>0.000</u> mills	\$ <u>-</u>
3. General Obligation Bonds and Interest [Special Districts must certify separately for each debt pursuant to 29-1-301(1.7),C.R.S.; see page 2 of this form.]	<u>25.000</u> mills	\$ <u>366,206.50</u>
4. Contractual Obligations Approved at Election [Per 29-1-301(1.7) C.R.S.]	<u>14.000</u> mills	\$ <u>205,075.64</u>
5. Capital Expenditures [These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities <u>through public hearing</u> pursuant to 29-1-301(1.2)C.R.S. and for special districts <u>through approval from the Division of Local Government</u> pursuant to 29-1-302(1.5)C.R.S. or for any taxing entity if <u>approved at election.</u>]	<u>0.000</u> mills	\$ <u>-</u>
6. Refunds/Abatements	<u>0.000</u> mills	\$ <u>-</u>
7. Other (specify): _____ [These levies and revenues are for purposes not subject to 29-1-301 C.R.S. that were not reported above]	<u>0.000</u> mills	\$ <u>-</u>

TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7] **39.000 mills \$ 571,282.14**

Contact person: Eric Weaver, CPA

Daytime phone: (970) 926-6060 x6

Signed: 

Title: District Administrator

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, Colorado 80203. Questions? Call DLG (303) 866-2156.

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
CORNERSTONE METROPOLITAN DISTRICT NO. 2

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 revenue 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:

1. Purpose of Issue:

Refund a portion of the Cornerstone Metropolitan District No. 1 2006 Bonds

Series: 2010A
Date of Issue: December 15, 2010 (Anticipated)
Coupon rate: Estimated to be 8% (Anticipated)
Maturity Date: December 1, 2040 (Anticipated)
Levy: 21.943
Revenue: \$321,422.09

2. Purpose of Issue:

Refund a portion of the Cornerstone Metropolitan District No. 1 2006 Bonds

Series: 2010B
Date of Issue: December 15, 2010 (Anticipated)
Coupon rate: Variable- Adjusted Weekly, Assumed to Average 0.50% (Anticipated)
Maturity Date: December 1, 2046 (Anticipated)
Levy: 3.057
Revenue: \$44,784.41

3. Purpose of Issue:

N/A

Series:
Date of Issue:
Coupon rate:
Maturity Date:
Levy: 0.000
Revenue: \$0.00

CONTRACTS:

4. Purpose of Contract:

Title: District Facilities Construction and Service Agreement

Date: December 16, 2004

To provide for the implementation of principals and objectives in the Service Plan regarding financing, construction, operation and maintenance of facilities, and administration of the District's affairs

Principal Amount:

Maturity Date: None Stated

Levy: 14.00

Revenue: \$205,075.64

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