

CORNERSTONE METROPOLITAN DISTRICT NO. 2

January 22, 2018

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

RE: Cornerstone Metropolitan District No. 2
LG ID #65391

Attached is the 2018 Budget for 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 28, 2017. 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 0.00 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 40.000 mills for G.O. bonds; 70.000 mills for contractual obligations, 0.000 mills for refund/abatement; and 0.00 mills for Temporary Tax Credit/Mill Levy Reduction. Based on a total assessed valuation of \$3,314,960, the total property tax revenue is \$364,645.60. However, after these levies were certified the breakout was adjusted in the budget for the change in residential assessment rates so that 40.954 mills are dedicated towards G.O. Bonds and 69.046 mills are dedicated towards contractual obligations. 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 Montrose and Ouray Counties, Colorado.

Sincerely,



Eric Weaver
District Administrator

Enclosure(s)

Administrative & Financial Management Provided By Marchetti & Weaver, LLC

Mountain Office
28 Second Street, Suite 213
Edwards, CO 81632
(970) 926-6060

Website & Email
www.mwcpaa.com
Admin@mwcpaa.com

Front Range Office
245 Century Circle, Suite 103
Louisville, CO 80027
(720) 210-9136

CORNERSTONE METROPOLITAN DISTRICT NO. 2

2018 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.

2018 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 a portion of the operations associated with the facilities installed and maintained for the benefit of the constituents of the District.

The District also levies a debt service mill levy to pay for the debt service on the District's bonded indebtedness, issued in 2010. The maximum debt service mill levy of 40.000 mills (adjusted for changes in residential assessment rates up to 40.954 for the 2018 budget year) is dedicated towards payment of principal and interest on the Series 2010A Bonds. The budget shows a shortfall of funds necessary to pay the full debt service due on the Series 2010A Bonds. Unpaid debt service will be accrued for payment in future years if and when funds become available. The 2010B Developer Bonds remain subordinate to the 2010A Bonds and because there are no funds available to pay current interest on the 2010B Bonds, such unpaid amounts will be accrued for payment in future years if and when funds become available.

RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 2

TO ADOPT 2018 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 2018 AND ENDING ON THE LAST DAY OF DECEMBER 2018.

WHEREAS, the Board of Directors of the Cornerstone Metropolitan District No.2 has appointed a budget committee to prepare and submit a proposed 2018 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 20, 2017, continued to November 28, 2017, and re-held on January 22, 2018, 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.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO.2
(CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2017, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE CORNERSTONE METROPOLITAN DISTRICT NO.2, MONTROSE AND OURAY COUNTIES, COLORADO, FOR THE 2018 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 28, 2017, which was ratified on January 22, 2018, 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 \$228,884.73 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 \$135,760.87 and;

WHEREAS, the 2017 valuation for assessment for the Cornerstone Metropolitan District No. 2, as certified by the Montrose County Assessor is \$988,340 and;

WHEREAS, the 2017 valuation for assessment for the Cornerstone Metropolitan District No. 2, as certified by the Ouray County Assessor is \$2,326,620

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 2018 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2017.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2018 there is hereby levied a temporary tax credit/mill levy reduction of 0.000 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 2018 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2017.
- Section 4. That for the purpose of meeting all payments for bonds and interest of the Cornerstone Metropolitan District No. 2 during the 2018 budget year, there is hereby levied a tax of 40.954 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2017.
- Section 5. That for the purpose of meeting the contractual obligations of the Cornerstone Metropolitan District No. 2 during the 2018 budget year, there is hereby levied a tax of 69.046 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2017.
- 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.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

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 2018 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on November 20, 2017 and ratified such budget on January 22, 2018, 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	
Contractual Obligations	\$ 273,398
Current Debt Service Expenditures	<u>177,128</u>
TOTAL DEBT SERVICE FUND	\$ 450,526

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 2
(CONTINUED)

TO ADOPT 2018 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)

The above resolutions to adopt the 2018 budget, set the mill levies and to appropriate sums of money were adopted this 28th day of November, 2017.

Attest: Warren Ache

Title: Warren Ache, Vice President/Treasurer/Secretary

CORNERSTONE METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
September 30, 2017

Print Date: 01/22/18

	<u>IGA DEBT SVC FUND</u>	<u>BOND DEBT SVC FUND</u>	<u>LONG-TERM DEBT</u>	<u>TOTAL</u>
ASSETS				
Csafe	-		-	-
Colotrust	194,929	91,585		286,514
Reserve Fund- 2010A		23		23
Interest Account-2010A		26		26
Revenue Fund- 2010B		-		-
Fee Account - 2010B		14		14
Interest Account-2010B		58		58
Surplus Fund- 2010B		0		0
Due from Montrose Co. Treasurer	-	-	-	-
Due from Ouray County Treasurer	-	-	-	-
Property Taxes Receivable Montrose	23,537	13,450		36,987
Property Taxes Receivable Montrose - Prior Yr	-	-		-
Property Taxes Receivable Ouray	9,078	5,187		14,265
Property Taxes Receivable Ouray - Prior Year	-	-		-
TOTAL ASSETS	227,544	110,343	-	337,888
LIABILITIES AND DEFERRED INFLOWS				
Accounts Payable	-	-		-
Due to District No. 1- Ops	194,311		-	194,311
Due to Montrose County Treasurer	-	-		-
Deferred Property Tax Revenue Montrose	23,537	13,450		36,987
Deferred Property Tax Revenue Montrose - PY	-	-	-	-
Deferred Property Tax Revenue Ouray	9,078	5,187		14,265
Deferred Property Tax Revenue Ouray - PY	-	-	-	-
Bonds Payable-2010A			5,185,000	5,185,000
Bonds Payable 2010B Developer Bonds			16,298,001	16,298,001
Accrued Interest			2,181,548	2,181,548
TOTAL LIAB & DEF INFLOWS	226,926	18,637	23,664,549	23,910,112
NET POSITION				
Invested In Bonds Payable			(23,664,549)	(23,664,549)
Invested In Delinquent Taxes			-	-
Fund Balance- Restricted For Debt Service		91,706		91,706
Fund Balance- UnAssigned	618			618
TOTAL NET POSITION	618	91,706	(23,664,549)	(23,572,224)
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	227,544	110,343	-	337,888
	=	=	=	=

**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	2016 Audited Actual	2017 Adopted Budget	Variance Favorable (Unfav)	2017 Forecast	9 Months Ended 09/30/17 Actual	9 Months Ended 09/30/17 Budget	Variance Favorable (Unfav)	2018 Adopted Budget	2018 Budget Comments
Assessed Valuation Montrose	1,012,760	1,017,037		1,017,037				988,340	Final AV
Assessed Valuation Ouray	2,671,340	2,533,560		2,533,560			2,326,620	Final AV	
Total AV For Certification	3,684,100	3,550,597		3,550,597			3,314,960		
Less AV Not Expected to Be Collected In CY	-	-		-			-	-	Assume all sold at tax lien sale
Net AV For Expected Current Yr Collection	3,684,100	3,550,597		3,550,597			3,314,960		
Mill Levy- Contractual- Operations	70.000	70.000		70.000			69.046	110 Total less Debt Svc	
Mill Levy- Contractual - Debt Service	0.000	0.000		0.000			0.000	None available	
REVENUES									
Prop Taxes- Montrose Ops	70,826	71,193	-	71,193	47,655	37,020	10,635	68,241	Amounts Levied
Prop Taxes- Montrose Ops- Prior Year	-	-	-	-	-	-	-	-	
Prop Taxes- Ouray Ops	186,994	177,349	-	177,349	168,272	152,520	15,751	160,644	Amounts Levied
Prop Taxes- Ouray Ops- Prior Year	41,669	-	-	-	-	-	-	-	
Less Allowance for Unsold Tax Liens	-	-	-	-	-	-	-	-	Assume all sold at tax lien sale
Specific Ownership- Montrose	8,800	8,543	1,378	9,921	6,541	5,695	846	10,236	15% of Ppty Taxes
Specific Ownership- Ouray	18,869	13,301	6,579	19,880	13,070	8,867	4,202	19,277	12% of Ppty Taxes
Development Fees	-	-	-	-	-	-	-	-	
Interest Income/ Contingency	20,691	10,000	(4,162)	5,838	4,454	-	4,454	15,000	Budget high to avoid budget overage
TOTAL REVENUES	347,849	280,386	3,794	284,181	239,992	204,103	35,888	273,398	
EXPENSES									
Treasurer's Fees Montrose	1,483	1,424	-	1,424	988	1,225	237	1,365	2% of taxes
Treasurer's Fees Ouray	7,907	5,320	-	5,320	5,130	4,576	(554)	4,819	3% of taxes
Xfer to No. 1 Operations	338,459	263,642	(3,794)	267,436	233,874	190,803	(43,071)	257,214	Amt Available
Xfer to No. 1 Capital/Debt Svc	-	-	-	-	-	-	-	-	
Tfr to No. 1- Development Fees	-	-	-	-	-	-	-	-	
Contingency	-	10,000	-	10,000	-	7,500	7,500	10,000	To avoid budget overage
TOTAL EXPENDITURES	347,849	280,386	(3,794)	284,181	239,992	204,103	(35,888)	273,398	
REVENUE OVER (UNDER) EXPEND.	0	-	(0)	-	-	-	-	-	
OTHER FINANCING SOURCES/(USES)									
Inter-Fund Transfer for Senior Bond Fund	-	-	-	-	-	-	-	-	
TOTAL OTHER FINANCING SOURCES	-	-	-	-	-	-	-	-	
FUND BALANCE - BEGINNING	618	618	1	618	618	618	1	618	
FUND BALANCE - ENDING	618	618	1	618	618	618	1	618	

= = = = =

**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	2016 Audited Actual	2017 Adopted Budget	Variance Favorable (Unfav)	2017 Forecast	9 Months Ended 09/30/17 Actual	9 Months Ended 09/30/17 Budget	Variance Favorable (Unfav)	2018 Adopted Budget	2018 Budget Comments
Senior Mill Levy	40,000	40,000		40,000				40,954	Maximum of 40, Gallagherized Only if Senior below 30
Subordinate Mill Levy	-	-		-			-	-	
Total Mill Levy- Bond Debt Service	40,000	40,000		40,000				40,954	40 Gallagherized Max
Assessed Valuation- Montrose	1,012,760	1,017,037		1,017,037				988,340	Final AV
Assessed Valuation- Ouray	2,671,340	2,533,560		2,533,560				2,326,620	Final AV
# of Lots Sold	-	-		-				-	All dev fees paid for curr platted lots
Development Fee Per Lot Sale	26,000	26,000		26,000			26,000	-	
REVENUES									
Prop Taxes- Montrose	40,472	40,681	-	40,681	27,232	21,154	6,077	40,476	Amounts Levied
Prop Taxes- Montrose- Prior Year	-	-	-	-	-	-	-	-	
Prop Taxes- Ouray	106,854	101,342	-	101,342	96,155	87,154	9,001	95,284	Amounts Levied
Prop Taxes- Ouray- Prior Year	44,067	-	-	-	-	-	-	-	
Less Allowance for Delayed Payments	-	-	-	-	-	-	-	-	Assume all sold at tax lien sale
Specific Ownership- Montrose	5,029	4,882	787	5,669	3,738	3,255	483	6,071	15% of Pty Taxes
Specific Ownership- Ouray	10,783	7,601	3,760	11,360	7,468	5,067	2,401	11,434	12% of Pty Taxes
Development Fees	-	-	-	-	-	-	-	-	Lot Sales X Dev Fee Amt
Interest Income	21,577	10,000	(4,474)	5,526	4,426	5,600	(1,174)	15,000	Budget high to avoid budget overage
TOTAL REVENUES	228,781	164,506	73	164,579	139,019	122,230	16,788	168,266	
EXPENSES									
Treasurer's Fees Montrose	848	814	-	814	564	423	(141)	810	2% of taxes
Treasurer's Fees Ouray	4,518	3,040	-	3,040	2,931	2,615	(317)	2,859	3% of taxes
Series 2010A Sr. Bonds-Principal-Current	10,000	5,000	-	5,000	-	-	-	15,000	Amount due
Series 2010A Sr. Bonds-Interest-Current	415,600	414,800	-	414,800	207,400	207,400	-	414,400	Amount due
Series 2010A Sr. Bonds-Principal-Delinquent	-	-	-	-	-	-	-	-	
Series 2010A Sr. Bonds-Interest-Delinquent	-	-	-	-	-	-	-	-	
Less Shortfall In Funds Available	-	(203,230)	6,000	(209,230)	(104,877)	(101,615)	3,262	(265,940)	Funds not available to make pmts
Wire Fees	-	-	-	-	-	-	-	-	
Paying Agent Fees	-	-	-	-	-	-	-	-	
Series 2010B Sub Bonds- Principal	-	-	-	-	-	-	-	-	
Series 2010B Sub Bonds- Interest	-	-	-	-	-	-	-	-	
Contingency	-	-	-	-	-	-	-	10,000	To avoid budget overage
TOTAL EXPENDITURES	430,966	220,424	6,000	214,424	106,019	108,823	2,804	177,128	
REVENUE OVER (UNDER) EXPEND.	(202,185)	(55,917)	6,073	(49,844)	33,000	13,408	19,592	(8,862)	
OTHER FINANCING SOURCES/(USES)									
Bond Proceeds- 2010A	-	-	-	-	-	-	-	-	
Bond Proceeds- 2010B	-	-	-	-	-	-	-	-	
Bond Cost of Issuance	-	-	-	-	-	-	-	-	
Inter-District Contributions	-	-	-	-	-	-	-	-	
Xfer of Net Bond Proceeds to No. 1	-	-	-	-	-	-	-	-	
TOTAL OTHER FINANCING SOURCES	-	-	-	-	-	-	-	-	
FUND BALANCE - BEGINNING	260,891	55,917	2,789	58,706	58,706	55,917	2,789	8,862	
FUND BALANCE - ENDING	58,706	-	8,862	8,862	91,706	69,325	22,381	-	

**No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.**

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Montrose, Colorado.

On behalf of the Cornerstone Metropolitan District No. 2
(taxing entity)^A

the Board of Directors
(governing body)^B

of the Cornerstone Metropolitan District No. 2
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 988,340

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: \$ 988,340
(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: 12/12/2017 for budget/fiscal year 2018
(not later than Dec 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>0.000</u> mills	\$ -
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>(0.000)</u> mills	\$ -
SUBTOTAL FOR GENERAL OPERATING:	<u>(0.000)</u> mills	<u>\$ -</u>
3. General Obligation Bonds and Interest ^J	<u>40.000</u> mills	\$ 39,533.60
4. Contractual Obligations ^K	<u>70.000</u> mills	\$ 69,183.80
5. Capital Expenditures ^L	<u>0.000</u> mills	\$ -
6. Refunds/Abatements ^M	<u>0.000</u> mills	\$ -
7. Other ^N (specify): _____	<u>0.000</u> mills	\$ -
	<u>0.000</u> mills	\$ -
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>110.000</u> mills	<u>\$ 108,717.40</u>

Contact person: Eric Weaver Daytime phone: (970) 926-6060 x6
(print)
Signed:  Title: District Accountant

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) 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 (32-1-603 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 (32-1-603, 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: | <u>Refund a portion of the Cornerstone Metropolitan District No. 1 2006 Bonds</u> |
| | Series: | <u>2010A</u> |
| | Date of Issue: | <u>December 15, 2010</u> |
| | Coupon rate: | <u>8.00%</u> |
| | Maturity Date: | <u>December 1, 2040</u> |
| | Levy: | <u>40.000</u> |
| | Revenue: | <u>\$39,533.60</u> |
| | | |
| 2. | Purpose of Issue: | <u>Refund a portion of the Cornerstone Metropolitan District No. 1 2006 Bonds</u> |
| | Series: | <u>2010B</u> |
| | Date of Issue: | <u>12/15/2010 (Converted to Developer Bonds 11/24/2014)</u> |
| | Coupon rate: | <u>6.00%</u> |
| | Maturity Date: | <u>December 1, 2046</u> |
| | Levy: | <u>0.000</u> |
| | Revenue: | <u>\$0.00</u> |

CONTRACTS^K:

- | | | |
|----|----------------------|--|
| 3. | Purpose of Contract: | <u>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</u> |
| | Title: | <u>District Facilities Construction and Service Agreement</u> |
| | Date: | <u>December 16, 2004</u> |
| | Principal Amount: | <u>N/A</u> |
| | Maturity Date: | <u>None Stated</u> |
| | Levy: | <u>70.000</u> |
| | Revenue: | <u>\$69,183.80</u> |
| | | |
| 4. | Purpose of Contract: | <u>_____</u> |
| | Title: | <u>_____</u> |
| | Date: | <u>_____</u> |
| | Principal Amount: | <u>_____</u> |
| | Maturity Date: | <u>_____</u> |
| | Levy: | <u>_____</u> |
| | Revenue: | <u>_____</u> |

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

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Cornerstone Metropolitan District No. 2

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 2,326,620

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: \$ 2,326,620

(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: 12/12/2017 for budget/fiscal year 2018
 (not 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	<u>0.000</u> mills	\$ -
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>(0.000)</u> mills	\$ -
SUBTOTAL FOR GENERAL OPERATING:	<u>(0.000)</u> mills	<u>\$ -</u>
3. General Obligation Bonds and Interest ^J	<u>40.000</u> mills	\$ 93,064.80
4. Contractual Obligations ^K	<u>70.000</u> mills	\$ 162,863.40
5. Capital Expenditures ^L	<u>0.000</u> mills	\$ -
6. Refunds/Abatements ^M	<u>0.000</u> mills	\$ -
7. Other ^N (specify): _____	<u>0.000</u> mills	\$ -
	<u>0.000</u> mills	\$ -
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>110.000</u> mills	<u>\$ 255,928.20</u>

Contact person: Eric Weaver Daytime phone: (970) 926-6060 x6
 (print)
 Signed:  Title: District Accountant

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) 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 (32-1-603 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 (32-1-603, 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: | <u>Refund a portion of the Cornerstone Metropolitan District No. 1 2006 Bonds</u> |
| | Series: | <u>2010A</u> |
| | Date of Issue: | <u>December 15, 2010</u> |
| | Coupon rate: | <u>8.00%</u> |
| | Maturity Date: | <u>December 1, 2040</u> |
| | Levy: | <u>40.000</u> |
| | Revenue: | <u>\$93,064.80</u> |
| | | |
| 2. | Purpose of Issue: | <u>Refund a portion of the Cornerstone Metropolitan District No. 1 2006 Bonds</u> |
| | Series: | <u>2010B</u> |
| | Date of Issue: | <u>12/15/2010 (Converted to Developer Bonds 11/24/2014)</u> |
| | Coupon rate: | <u>6.00%</u> |
| | Maturity Date: | <u>December 1, 2046</u> |
| | Levy: | <u>0.000</u> |
| | Revenue: | <u>\$0.00</u> |

CONTRACTS^K:

- | | | |
|----|----------------------|--|
| 3. | Purpose of Contract: | <u>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</u> |
| | Title: | <u>District Facilities Construction and Service Agreement</u> |
| | Date: | <u>December 16, 2004</u> |
| | Principal Amount: | <u>N/A</u> |
| | Maturity Date: | <u>None Stated</u> |
| | Levy: | <u>70.000</u> |
| | Revenue: | <u>\$162,863.40</u> |
| | | |
| 4. | Purpose of Contract: | <u>_____</u> |
| | Title: | <u>_____</u> |
| | Date: | <u>_____</u> |
| | Principal Amount: | <u>_____</u> |
| | Maturity Date: | <u>_____</u> |
| | Levy: | <u>_____</u> |
| | Revenue: | <u>_____</u> |

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