

CORNERSTONE METROPOLITAN DISTRICT NO. 2

December 29, 2014

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203
Via email – dlg-filing@state.co.us

RE: Cornerstone Metropolitan District No. 2 LGID# 65391

Attached is the 2015 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 October 27, 2014. 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; 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 an assessed valuation of \$4,780,552 (\$1,050,622 in Montrose County and \$3,729,930 in Ouray County), the total property tax revenue is \$525,860.72 (\$115,568.42 from Montrose County and \$410,292.30 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,



Title District Administrator

Enclosure(s)

CORNERSTONE METROPOLITAN DISTRICT NO. 2

2015 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.

2015 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 full debt service mill levy of 40.000 mills is dedicated towards payment of interest on the Series 2010A Bonds. The letter of credit backing the Series 2010B Bonds was not renewed in 2014 and under the terms of the indenture agreement, on November 24, 2014 a small portion of the 2010B bonds were paid and the remainder was converted to Developer Bonds. As the 2010B Bonds remain subordinate to the 2010A Bonds and 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 2015 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 2015 AND ENDING ON THE LAST DAY OF DECEMBER 2015.

WHEREAS, the Board of Directors of the Cornerstone Metropolitan District No.2 has appointed a budget committee to prepare and submit a proposed 2015 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 October 27, 2014, 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 2014, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE CORNERSTONE METROPOLITAN DISTRICT NO.2, MONTROSE AND OURAY COUNTIES, COLORADO, FOR THE 2015 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 October 27, 2014 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 \$334,638.64 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 \$191,222.08.

WHEREAS, the 2014 valuation for assessment for the Cornerstone Metropolitan District No. 2, as certified by the Montrose County Assessor is \$1,050,622 and

WHEREAS, the 2013 valuation for assessment for the Cornerstone Metropolitan District No. 2, as certified by the Ouray County Assessor is \$3,729,930

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 2015 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 2014.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2015 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 2015 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 2014.
- Section 4. That for the purpose of meeting all payments for bonds and interest of the Cornerstone Metropolitan District No. 2 during the 2015 budget year, there is hereby levied a tax of 40.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2014.
- Section 5. That for the purpose of meeting the contractual obligations of the Cornerstone Metropolitan District No. 2 during the 2015 budget year, there is hereby levied a tax of 70.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2014.
- 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 2015 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on October 27, 2014, 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	\$ 326,535
Current Debt Service Expenditures	<u>429,816</u>
TOTAL DEBT SERVICE FUND	\$ 756,351

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RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 2
(CONTINUED)

TO ADOPT 2015 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)

The above resolutions to adopt the 2015 budget, set the mill levies and to appropriate sums of money were adopted this 27th day of October, 2014.

Attest: Bill Lugozzi

Title: President



Accountant's Compilation Report

December 29, 2014

Board of Directors
Cornerstone Metropolitan District No. 2
Montrose, Colorado

We have compiled the accompanying combined balance sheet of Cornerstone Metropolitan District No. 2 as of September 30, 2014 and the related statement of revenues, expenditures and changes in fund balance with budgets for the nine month period then ended. We also compiled the accompanying budget and forecast of revenues, expenditures and changes in fund balance for the year ending December 31, 2014 and the adopted budget for 2015, in accordance with standards established by the American Institute of Certified Public Accountants.

We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

As a consulting financial manager, we participate in the financial management of the District. Management (with our participation) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. We have prepared these financial statements in our capacity as a consulting financial manager for the District.

Our responsibility includes conducting the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management (with our participation) has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

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. We have not examined the accompanying forecast and, accordingly, do not express an opinion or any other form of assurance on the 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. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

The actual historical information for calendar year 2013 is presented for comparative purposes only. Such information is taken from the financial statements for the District for the year ended December 31, 2013, which have been audited by Chadwick, Steinkirchner, Davis, & Co., and upon which they expressed an unqualified opinion in their report dated September 24, 2014.

We are not independent from and accounting and auditing perspective with respect to Cornerstone Metropolitan District No. 2 because we perform certain accounting services that impair our independence.

Marchetti & Weaver, LLC

CORNERSTONE METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
September 30, 2014

Print Date: 12/29/14

	IGA DEBT SVC FUND	BOND DEBT SVC FUND	LONG-TERM DEBT	TOTAL
ASSETS				
Csafe	165,194	94,060	-	259,254
Reserve Fund- 2010A		428,973		428,973
Interest Account-2010A		22,580		22,580
Revenue Fund- 2010B		-		-
Fee Account - 2010B		88,714		88,714
Interest Account-2010B		8		8
Surplus Fund- 2010B		906,938		906,938
Due from Montrose Co. Treasurer	-	-	-	-
Due from Ouray County Treasurer	-	-	-	-
Property Taxes Receivable Montrose	41,975	23,986		65,960
Property Taxes Receivable Montrose - Prior Y	31,914	51,063		82,977
Property Taxes Receivable Ouray	34,705	19,851		54,556
Property Taxes Receivable Ouray - Prior Year	22,598	36,156		58,754
TOTAL ASSETS	296,386	1,672,330	-	1,968,716
LIABILITIES AND DEFERRED INFLOWS				
Accounts Payable	-	-		-
Due to District No. 1- Ops	164,605		54,512	219,117
Due to Montrose County Treasurer	-	-		-
Deferred Property Tax Revenue Montrose	41,975	23,986		65,960
Deferred Property Tax Revenue Montrose - P\	31,914	51,063	(82,977)	-
Deferred Property Tax Revenue Ouray	34,705	19,851		54,556
Deferred Property Tax Revenue Ouray - PY	22,598	36,156	(58,754)	-
Bonds Payable-2010A			5,200,000	5,200,000
Bonds Payable 2010B			17,000,000	17,000,000
TOTAL LIAB & DEF INFLOWS	295,796	131,056	22,112,780	22,539,633
NET POSITION				
Invested In Bonds Payable			(22,200,000)	(22,200,000)
Invested In Delinquent Taxes			87,220	87,220
Fund Balance- Restricted For Debt Service		1,541,274		1,541,274
Fund Balance- UnAssigned	589			589
TOTAL NET POSITION	589	1,541,274	(22,112,780)	(20,570,917)
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	296,386	1,672,330	-	1,968,716
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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	2013 Unaudited Actual	2014 Adopted Budget	Variance Favorable (Unfav)	2014 Forecast	9 Months Ended 09/30/14 Actual	9 Months Ended 09/30/14 Budget	Variance Favorable (Unfav)	2015 Adopted Budget	2015 Budget Comments
Mill Levy- Contractual- Operations	20,000	70,000		70,000				70,000	Service plan cap released
Mill Levy- Contractual - Debt Service	0,000	0,000		0,000				0,000	
Assessed Valuation Montrose	2,571,566	1,049,944		1,049,944				1,050,622	Final Certified Values
Assessed Valuation Ouray	9,849,250	3,741,910		3,741,910				3,729,930	Final Certified Values
REVENUES									
Prop Taxes- Montrose Ops	35,471	73,496	(28,543)	44,953	31,521	52,138	(20,616)	73,544	
Prop Taxes- Montrose Ops- Prior Year		-	-	-		-	-	-	
Prop Taxes- Ouray Ops	181,068	261,934	(14,468)	247,466	227,229	225,263	1,966	261,095	
Prop Taxes- Ouray Ops- Prior Year		-	-	-		-	-	-	
Prop. Taxes- Montrose DS	-	-	-	-	-	-	-	-	
Prop. Taxes- Ouray DS	-	-	-	-	-	-	-	-	
Less Allowance for Unsold Tax Liens		(43,011)	43,011	-		-	-	(43,011)	1 Mont & 4 Ouray Properties
Specific Ownership- Montrose	5,491	7,350	1,500	8,850	6,345	4,900	1,446	8,825	12% of Pty Taxes
Specific Ownership- Ouray	14,460	15,061	5,000	20,061	14,796	10,041	4,755	19,582	7.5% of Pty Taxes
Development Fees		-	-	-		-	-	-	
Interest Income/ Contingency	7,407	1,000	5,500	6,500	6,289	-	6,289	6,500	High due to delinquent taxes
TOTAL REVENUES	243,897	315,830	12,000	327,830	286,181	292,341	(6,160)	326,535	
EXPENSES									
Treasurer's Fees Montrose	738	1,470	571	899	652	1,264	612	1,471	2% of taxes
Treasurer's Fees Ouray	5,609	7,858	434	7,424	6,970	6,758	(212)	7,833	3% of taxes
Xfer to No. 1 Operations	237,486	305,502	(14,005)	319,507	278,526	283,569	5,043	310,731	Amt Available
Xfer to No. 1 Capital/Debt Svc	-	-	-	-	-	-	-	-	
Trfr to No. 1- Development Fees		-	-	-		-	-	-	
Contingency		1,000	1,000	-		750	750	6,500	Equal to interest income
TOTAL EXPENDITURES	243,833	315,830	(12,000)	327,830	286,149	292,341	6,193	326,535	
REVENUE OVER (UNDER) EXPEND.	64	-	0	-	32	-	32	-	
OTHER FINANCING SOURCES/(USES)									
Inter-Fund Transfer for Senior Bond Fund	-	-	-	-	-	-	-	-	
TOTAL OTHER FINANCING SOURCES	-	-	-	-	-	-	-	-	
FUND BALANCE - BEGINNING	493	558	(1)	557	557	558	(1)	557	
FUND BALANCE - ENDING	557	558	(1)	557	589	558	31	557	

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**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	2013 Unaudited Actual	2014 Adopted Budget	Variance Favorable (Unfav)	2014 Forecast	9 Months Ended 09/30/14 Actual	9 Months Ended 09/30/14 Budget	Variance Favorable (Unfav)	2015 Adopted Budget	2015 Budget Comments
Senior Mill Levy	32,000	40,000		40,000				40,000	Maximum of 40
Subordinate Mill Levy	-	-		-				-	Only if Senior below 30
Total Mill Levy- Bond Debt Service	32,000	40,000		40,000				40,000	40 Max
Assessed Valuation- Montrose	2,571,566	1,049,944		1,049,944				1,050,622	Final Certified Values
Assessed Valuation- Ouray	9,849,250	3,741,910		3,741,910				3,729,930	Final Certified Values
# of Lots Sold	-	-		-				-	All paid for current plattings
Development Fee Per Lot Sale	26,000	26,000		26,000				26,000	
REVENUES									
Prop Taxes- Montrose	56,753	41,998	(16,310)	25,687	18,012	29,793	(11,781)	42,025	Using Mills & AV Above
Prop Taxes- Montrose- Prior Year	-	-	-	-	-	-	-	-	Assume not collected
Prop Taxes- Ouray	289,709	149,676	(8,267)	141,409	129,845	128,722	1,124	149,197	Using Mills & AV Above
Prop Taxes- Ouray- Prior Year	-	-	-	-	-	-	-	-	Assume not collected
Less Allowance for Delayed Payments	-	(24,578)	24,578	-	-	-	-	(24,578)	1 Mont & 4 Ouray Properties
Specific Ownership- Montrose	8,786	4,200	840	5,040	3,626	2,800	826	5,043	12% of Ppty Taxes
Specific Ownership- Ouray	23,136	8,606	2,619	11,226	8,455	5,738	2,717	11,190	7.5% of Ppty Taxes
Development Fees	-	-	-	-	-	-	-	-	Lot Sales X Dev Fee Amt
Prepaid Development Fees	-	-	-	-	-	-	-	-	
Interest Income	15,115	1,928	3,322	5,250	5,087	1,446	3,642	390	High for delinquent properties
TOTAL REVENUES	393,499	181,831	6,781	188,612	165,026	168,498	(3,472)	183,267	
EXPENSES									
Treasurer's Fees Montrose	1,182	840	326	514	373	596	223	840	2% of taxes
Treasurer's Fees Ouray	8,974	4,490	248	4,242	3,983	3,862	(121)	4,476	3% of taxes
Series 2010A Senior Bonds- Principal	-	-	-	-	-	-	-	5,000	Required payment due
Series 2010A Senior Bonds- Interest	416,000	416,000	-	416,000	208,000	208,000	-	416,000	\$5.2M at 8%
Wire Fees	3,540	3,540	-	3,540	2,360	2,655	295	-	B Bonds paid off in 2014
Paying Agent Fees	6,000	3,500	-	3,500	-	-	-	3,500	Flat Fee
Rating Agent Fees	3,000	2,000	(2,000)	4,000	4,000	2,000	(2,000)	-	B Bonds paid off in 2014
Remarketing Fees	34,000	34,000	(8,384)	42,384	34,000	34,000	-	-	B Bonds paid off in 2014
Letter of Credit Fee	610,406	610,206	51,826	558,380	302,890	302,595	(295)	-	B Bonds paid off in 2014
Series 2010B Sub Bonds- Principal	-	-	(691,953)	691,953	-	-	-	-	No funds available
Series 2010B Sub Bonds- Interest	27,358	42,500	26,917	15,583	9,273	28,333	19,060	-	\$16.3M @ 6%- No Funds Available
Contingency	-	100,000	100,000	-	-	-	-	-	
TOTAL EXPENDITURES	1,110,460	1,217,076	(523,020)	1,740,096	564,879	582,041	17,162	429,816	
REVENUE OVER (UNDER) EXPEND.	(716,960)	(1,035,245)	(516,239)	(1,551,484)	(399,853)	(413,543)	13,690	(246,550)	
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	2,658,087	1,927,805	13,322	1,941,127	1,941,127	1,927,805	13,322	389,643	
FUND BALANCE - ENDING	1,941,127	892,560	(502,916)	389,643	1,541,274	1,514,262	27,012	143,094	
FUND BALANCE DETAIL	=	=	=	=	=	=	=	=	
2010-A Reserve Fund	520,000	277,000	112,643	389,643	428,973			143,094	Funding not avail to cover shortfall
Assigned For 2010-A Future Debt Service	105,287	-	-	-	22,580			-	Used to partially cover deficits
Assigned For 2010-B Future Debt Service	1,315,840	615,559	(615,559)	(0)	1,089,720			(0)	Remaining Amount
TOTAL FUND BALANCE	1,941,127	892,560	(502,916)	389,643	1,541,274	-	-	143,094	

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) \$ 1,050,622

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) \$ 1,050,622

Submitted: December 10, 2014 for budget/fiscal year 2015
(not later than Dec 15) (dd/mm/yyyy) (yyyy)

PURPOSE	LEVY ²	REVENUE ²
1. General Operating Expenses	0.000 mills	\$ -
2. (MINUS) Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	0.000 mills	\$ -
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ -
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.]	40.000 mills	\$ 42,024.88
4. Contractual Obligations Approved at Election [Per 29-1-301(1.7) C.R.S.]	70.000 mills	\$ 73,543.54
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>]	0.000 mills	\$ -
6. Refunds/Abatements	0.000 mills	\$ -
7. Other (specify): _____ [These levies and revenues are for purposes not subject to 29-1-301 C.R.S. that were not reported above]	0.000 mills	\$ -
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	110.000 mills	\$ 115,568.42

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
Coupon rate: 8.00%
Maturity Date: December 1, 2040
Levy: 40.000
Revenue: \$42,024.88

2. Purpose of Issue:

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

Series: 2010B
Date of Issue: 12/15/2010 (Converted to Developer Bonds 11/24/2014)
Coupon rate: 6.00%
Maturity Date: December 1, 2046
Levy: 0.000
Revenue: \$0.00

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: 70.000
Revenue: \$73,543.54

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) \$ 3,729,930

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) \$ 3,729,930

Submitted: December 10, 2014 for budget/fiscal year 2015
(not later than Dec 15) (dd/mm/yyyy) (yyyy)

Table with columns: PURPOSE, LEVY², REVENUE². Rows include General Operating Expenses, (MINUS) Temporary General Property Tax Credit, SUBTOTAL FOR GENERAL OPERATING, General Obligation Bonds and Interest, Contractual Obligations Approved at Election, Capital Expenditures, Refunds/Abatements, Other (specify), and TOTAL.

Contact person: Eric Weaver, CPA Daytime phone: (970) 926-6060 x6
Signed: [Signature] 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
Coupon rate: 8.00%
Maturity Date: December 1, 2040
Levy: 40.000
Revenue: \$149,197.20

2. Purpose of Issue:

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

Series: 2010B
Date of Issue: 12/15/2010 (Converted to Developer Bonds 11/24/2014)
Coupon rate: 6.00%
Maturity Date: December 1, 2046
Levy: 0.000
Revenue: \$0.00

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: 70.00
Revenue: \$261,095.10

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