

CORNERSTONE METROPOLITAN DISTRICT NO. 2

Via email – dlg-filing@state.co.us

December 9, 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 2012 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 17, 2011. 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; 32.000 mills for G.O. bonds; 20.000 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 \$12,402,840 (\$2,569,250 in Montrose County and \$9,833,590 in Ouray County), the total property tax revenue is \$644,947.68 (\$133,601.00 from Montrose County and \$511,346.68 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

2012 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.

2012 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 2012 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 2012 AND ENDING ON THE LAST DAY OF DECEMBER 2012.

WHEREAS, the Board of Directors of the Cornerstone Metropolitan District No.2 has appointed a budget committee to prepare and submit a proposed 2012 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 17, 2011 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 DEFRAY THE COSTS OF GOVERNMENT FOR THE CORNERSTONE METROPOLITAN DISTRICT NO.2, MONTROSE AND OURAY COUNTIES, COLORADO, FOR THE 2012 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 17, 2011 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 \$248,057 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 \$396,891.

WHEREAS, the 2011 valuation for assessment for the Cornerstone Metropolitan District No. 2, as certified by the Montrose County Assessor is \$2,569,250 and

WHEREAS, the 2011 valuation for assessment for the Cornerstone Metropolitan District No. 2, as certified by the Ouray County Assessor is \$9,833,590

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 2012 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 2011.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2012 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 2012 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 2011.
- Section 4. That for the purpose of meeting all payments for bonds and interest of the Cornerstone Metropolitan District No. 2 during the 2012 budget year, there is hereby levied a tax of 32.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2011.
- Section 5. That for the purpose of meeting the contractual obligations of the Cornerstone Metropolitan District No. 2 during the 2012 budget year, there is hereby levied a tax of 20.00 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2011.
- 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 2012 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on November 17, 2011, 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	\$ 1,704,727
TOTAL DEBT SERVICE FUND:	\$ 1,704,727

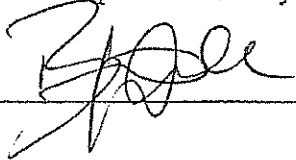
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RESOLUTIONS OF CORNERSTONE METROPOLITAN DISTRICT NO. 2
(CONTINUED)

TO ADOPT 2012 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)

The above resolutions to adopt the 2012 budget, set the mill levies and to appropriate sums of money were adopted this 17th day of November, 2011.

Attest: _____

A handwritten signature in black ink, appearing to be "R. Hall", written over a horizontal line.

Title: _____

PRESIDENT

ROBERTSON & MARCHETTI, P.C.

Certified Public Accountants

Accountant's Compilation Report

December 1, 2011

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

I have compiled the accompanying combined balance sheet of Cornerstone Metropolitan District No. 2 as of September 30, 2011 and the related statement of revenues, expenditures and changes in fund balance with budgets for the nine month period then ended. I also compiled the accompanying budget and forecast of revenues, expenditures and changes in fund balance for the year ending December 31, 2011 and the adopted budget for 2012, in accordance with standards established by the American Institute of Certified Public Accountants.

I 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, I participate in the financial management of the District. Management (with my 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. I have prepared these financial statements in my capacity as a consulting financial manager for the District.

My 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 my 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, 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. I 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. I 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 2010 is presented for comparative purposes only. Such information is taken from the financial statements for the District for the year ended December 31, 2010, which have been audited by Haynie & Company, and upon which they expressed an unqualified opinion in their report dated June 29, 2011.

I am not independent from an accounting and auditing perspective with respect to Cornerstone Metropolitan District No. 2 because I perform certain accounting services that impair my independence.

ROBERTSON & MARCHETTI, P.C.



Eric Weaver, CPA
Vice-President

	IGA DEBT SVC FUND	BOND DEBT SVC FUND	LONG-TRM DEBT	TOTAL
ASSETS				
Csafe	22,252	-	-	22,252
Pooled Cash	(13,791)	13,791	-	-
Reserve Fund- 2010A	-	520,000	-	520,000
Subordinate Revenue Fund- 2010B	-	1,413,133	-	1,413,133
Subordinate Revenue Fund- 2010B	-	-	-	-
Fee Account - 2010B	-	106,013	-	106,013
Interest Account-2010A	-	265,382	-	265,382
Cost of Issuance Fund-2010A	-	-	-	-
Cost of Issuance Fund-2010B	-	8	-	8
Due from Montrose Co. Treasurer	-	-	-	-
Due from Ouray County Treasurer	-	-	-	-
Property Taxes Receivable Montrose	0	0	-	0
Property Taxes Receivable Ouray	(0)	0	-	(0)
TOTAL ASSETS	8,460	2,318,327	-	2,326,788

LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable	-	-	-	-
Due to District No. 1- Ops	8,061	-	-	8,061
Due to District No. 1- Bond Issue Cost Reimb	0	-	-	0
Due to Montrose County Treasurer	-	-	-	-
Deferred Property Tax Revenue Montrose	0	0	-	0
Deferred Property Tax Revenue Ouray	(0)	0	-	(0)
Bonds Payable-2010A	-	-	5,200,000	5,200,000
Bonds Payable 2010B	-	-	17,000,000	17,000,000
TOTAL LIABILITIES	8,061	0	22,200,000	22,208,061

NET ASSETS				
Amount to be Provided For Bonds	-	-	(22,200,000)	(22,200,000)
Fund Balance- Restricted For Debt Service	399	2,318,327	-	2,318,327
Fund Balance- Unassigned	399	-	-	399
TOTAL NET ASSETS	399	2,318,327	(22,200,000)	(19,881,273)
TOTAL LIABILITIES AND NET ASSETS	8,460	2,318,327	-	2,326,788

SEE ACCOMPANYING ACCOUNTANT'S REPORT

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

	2010 Audited Actual	2011 Adopted Budget	Variance Favorable (Unfav)	2011 Forecast	9 Months		Variance Favorable (Unfav)	2012 Adopted Budget	Budget Assumptions
					Ended 09/30/11 Actual	Ended 09/30/11 Budget			
CONTRACTUAL OBLIGATIONS									
DEBT SERVICE FUND									
Mill Levy- Contractual- Operations	14,000	14,000		14,000				20,000	20 Max, 55 Total Max
Mill Levy- Contractual - Debt Service	25,000	0,000	0,000	0,000				0,000	
Assessed Valuation Montrose	3,794,859	3,520,289	664	3,520,289				2,569,250	August Prelim AV
Assessed Valuation Ouray	14,794,890	14,648,260	664	14,648,260				9,833,590	August Prelim AV
REVENUES									
Prop Taxes- Montrose Ops	49,731	49,284	-	49,284	49,284	49,284	(0)	51,385	
Prop Taxes- Ouray Ops	207,128	205,076	664	205,740	205,076	205,076	664	196,672	
Prop. Taxes- Montrose DS	88,805	-	-	-	-	-	-	-	
Prop. Taxes- Ouray DS	369,871	-	-	-	-	-	-	-	
Specific Ownership- Montrose	14,976	4,928	-	4,928	3,340	3,286	54	6,937	13.5% of Ppty Taxes
Specific Ownership- Ouray	33,098	12,305	(2,018)	10,287	6,702	8,203	(1,501)	14,750	7.5% of Ppty Taxes
Development Fees		-	-	-	-	-	-	-	
Interest Income/ Contingency	1,156	1,000	(800)	200	190	750	(560)	1,000	
TOTAL REVENUES	764,765	272,593	(2,153)	270,439	265,255	266,598	(1,343)	270,744	
EXPENSES									
Treasurer's Fees Montrose	2,760	986	(1)	987	987	986	(1)	1,028	2% of taxes
Treasurer's Fees Ouray	17,359	6,152	(20)	6,172	6,117	6,152	35	5,900	3% of taxes
Xfer to No. 1 Operations	267,291	264,455	1,240	263,214	258,105	258,710	606	262,816	Amt Available
Xfer to No. 1 Capital/Debt Svc	477,305	-	-	-	-	-	-	-	
Tfr to No. 1- Development Fees		-	-	-	-	-	-	-	
Contingency		1,000	1,000	-	-	750	750	1,000	
TOTAL EXPENDITURES	764,715	272,593	2,219	270,373	265,209	266,598	1,390	270,744	
REVENUE OVER (UNDER) EXPEND.	50	-	66	66	46	-	46	-	
OTHER FINANCING SOURCES/(USES)									
Inter-Fund Transfer for Senior Bond Fund		-	-	-	-	-	-	-	
TOTAL OTHER FINANCING SOURCES	-	-	-	-	-	-	-	-	
FUND BALANCE - BEGINNING	303	358	(5)	353	353	358	(5)	419	
FUND BALANCE - ENDING	353	358	61	419	399	358	41	419	

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

	2010 Audited Actual	2011 Adopted Budget	Variance Favorable (Unfav)	2011 Forecast	9 Months Ended 09/30/11 Actual	9 Months Ended 09/30/11 Budget	Variance Favorable (Unfav)	2012 Adopted Budget	Budget Assumptions
SENIOR & SUBORDINATE BOND DEBT SERVICE FUND									
Senior Mill Levy	0.000	25,000	-	25,000	-	-	32,000	Req'd to cover cost of A's Only if Senior below 30	
Subordinate Mill Levy	0.000	-	-	-	-	-	-	40 Max	
Total Mill Levy- Bond Debt Service	0.000	25,000	-	25,000	-	-	32,000		
Assessed Valuation- Montrose	3,794,859	3,520,289	1,186	3,520,289	367,392	366,207	2,569,250	August Prelim AV	
Assessed Valuation- Ouray	14,794,890	14,648,260	8,801	14,648,260	5,964	5,867	9,833,590	August Prelim AV	
# of Lots Sold	7	7	-	-	11,967	14,648	7		
Development Fee Per Lot Sale	-	26,000	-	26,000	-	-	26,000		
REVENUES									
Prop Taxes- Montrose	-	88,007	-	88,007	88,007	88,007	82,216	Using Mills & AV Above	
Prop Taxes- Ouray	-	366,207	1,186	367,392	367,392	366,207	314,675	Using Mills & AV Above	
Specific Ownership- Montrose	-	8,801	-	8,801	5,964	5,867	11,099	13.5% of Pty Taxes	
Specific Ownership- Ouray	-	21,972	(3,603)	18,370	11,967	14,648	23,601	7.5% of Pty Taxes	
Development Fees	26,000	182,000	(182,000)	-	-	-	182,000	Lot Sales X Dev Fee Amt	
Prepaid Development Fees	191,383	-	-	-	-	-	-		
Interest Income	-	12,215	(6,209)	6,005	3,909	9,161	1,797	0.1% of Fund Balance	
TOTAL REVENUES	217,383	679,202	(190,627)	488,575	477,240	483,890	615,388		
EXPENSES									
Treasurer's Fees Montrose	-	1,760	(2)	1,762	1,762	1,760	1,644	2% of taxes	
Treasurer's Fees Ouray	-	10,986	(36)	11,022	10,924	10,986	9,440	3% of taxes	
Series 2010A Senior Bonds- Principal	-	-	-	-	-	-	-	No Pmt Due	
Series 2010A Senior Bonds- Interest	-	416,000	16,178	399,822	191,822	208,000	416,000	\$5.2M at 8%	
Wire Fees	-	3,540	-	3,540	2,655	2,655	3,540	\$295 Per Month	
Paying Agent Fees	-	3,500	-	3,500	-	-	3,500	Flat Fee	
Rating Agent Fees	-	2,000	-	2,000	-	-	2,000	Flat Fee	
Remarketing Fees	-	34,000	9,822	24,178	24,178	34,000	34,000	0.2% Fee	
Letter of Credit Fee	-	595,000	(15,206)	610,206	302,595	297,500	611,858	3.5% Fee	
Series 2010B Sub Bonds- Principal	28,421	85,000	47,600	37,400	27,172	63,750	170,000	No Pmt Due	
Series 2010B Sub Bonds- Interest	2,767	250,000	250,000	-	-	-	182,000	If No Development Fees	
Contingency	-	-	-	-	-	-	-		
TOTAL EXPENDITURES	31,187	1,401,786	308,357	1,093,429	561,108	618,651	1,433,983		
REVENUE OVER (UNDER) EXPEND.	186,196	(722,585)	117,730	(604,854)	(83,868)	(134,761)	(818,595)		
OTHER FINANCING SOURCES/(USES)									
Bond Proceeds- 2010A	5,200,000	-	-	-	-	-	-		
Bond Proceeds- 2010B	17,000,000	-	-	-	-	-	-		
Bond Cost of Issuance	(496,105)	-	-	-	-	-	-		
Inter-District Contributions	15,779	-	-	-	-	-	-		
Xfer of Net Bond Proceeds to No. 1	(19,503,675)	-	-	-	-	-	-		
TOTAL OTHER FINANCING SOURCES	2,215,999	-	-	-	-	-	-		
FUND BALANCE - BEGINNING	-	2,442,991	(40,796)	2,402,195	2,402,195	2,442,991	1,797,341		
FUND BALANCE - ENDING	2,402,195	1,720,406	76,934	1,797,341	2,318,327	2,308,230	978,746		
FUND BALANCE DETAIL									
2010 Senior Bond Reserve Fund	520,000	520,000	-	520,000	520,000	520,000	520,000		
Reserved for Future Debt Service	1,882,195	1,200,406	76,935	1,277,341	1,798,327	1,788,327	458,746		
TOTAL FUND BALANCE	2,402,195	1,720,406	76,935	1,797,341	2,318,327	2,308,230	978,746		

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) \$ 2,569,250

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) \$ 2,569,250

Submitted: December 10, 2011 for budget/fiscal year 2012
 (not later than Dec 15) (dd/mm/yyyy) (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:	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.]	<u>32.000</u> mills	\$ <u>82,216.00</u>
4. Contractual Obligations Approved at Election [Per 29-1-301(1.7) C.R.S.]	<u>20.000</u> mills	\$ <u>51,385.00</u>
5. Capital Expenditures [These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearing pursuant to 29-1-301(1.2)C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5)C.R.S. or for any taxing entity if approved at election.]	<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]	52.000 mills	\$ 133,601.00

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: 32.000
Revenue: \$82,216.00

2. Purpose of Issue:

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

Series: 2010B
Date of Issue: December 15, 2010
Coupon rate: Variable- Adjusted Weekly, Assumed to Average 1.00%
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: 20.000
Revenue: \$51,385.00

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)

\$ 9,833,590

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)

\$ 9,833,590

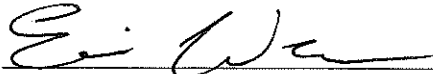
Submitted: December 10, 2011 for budget/fiscal year 2012
(not later than Dec 15) (dd/mm/yyyy) (yyyy)

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>32.000</u> mills	\$ <u>314,674.88</u>
4. Contractual Obligations Approved at Election [Per 29-1-301(1.7) C.R.S.]	<u>20.000</u> mills	\$ <u>196,671.80</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>52.000</u> mills	\$ <u>511,346.68</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
Coupon rate: 8.00%
Maturity Date: December 1, 2040
Levy: 32.000
Revenue: \$314,674.88

2. Purpose of Issue:

Refund a portion of the Cornerstone Metropolitan District No. 1 2006 Bonds
Series: 2010B
Date of Issue: December 15, 2010
Coupon rate: Variable- Adjusted Weekly, Assumed to Average 1.00%
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: 20.00
Revenue: \$196,671.80

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