

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2 HELD NOVEMBER 19, 2018

A special meeting of the Board of Directors (the "Board") of the Crowfoot Valley Ranch Metropolitan District No. 2 (the "District") was convened on Monday, the 19th day of November, 2018, at 9:30 a.m., at Hines, 1125 17th Street, #700, Denver, Colorado 80202. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Chad Murphy
Richard Cross
John ("Jay") W. Despard
Matthew B. Greenberg

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.

Matthew Ruhland, Esq.; Collins Cockrel & Cole, P.C.

Jason Carroll; CliftonLarsonAllen, LLP

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State.

Attorney Ruhland noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that all Directors' Disclosure Statements have been filed.

ADMINISTRATIVE MATTERS

Agenda: The Board reviewed a proposed Agenda for the District's special meeting.

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Following discussion, upon motion duly made by Director Cross, seconded by Director Greenberg and, upon vote, unanimously carried, the Agenda was approved, as presented.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director Cross, seconded by Director Greenberg and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries or Douglas County, or within 20 miles of its boundaries, to conduct this meeting, it was determined to conduct the meeting at the above-stated location. The Board further noted that a Resolution to Conduct Meeting Outside of District Boundaries and Douglas County was adopted at the previous Board meeting, notice of this location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

Minutes: The Board reviewed the Minutes of the October 24, 2018 special meeting.

Following discussion, upon motion duly made by Director Murphy, seconded by Director Cross and, upon vote, unanimously carried, the Minutes of the October 24, 2018 special meeting were approved, as presented.

Boundary Map: The Board authorized the engagement of an engineer to prepare an updated boundary map for the District.

Resolution Concerning 2019 Annual Administration Matters: The Board entered into discussion regarding the Resolution Concerning 2019 Annual Administrative Matters.

Following discussion, upon motion duly made by Director Cross, seconded by Director Murphy and, upon vote, unanimously carried, the Board adopted a Resolution Concerning 2019 Annual Administrative Matters. A copy of the adopted Resolution is attached to these Minutes and incorporated herein by this reference.

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Resolution Designating Meeting Location: Attorney Ruhland reviewed with the Board a Resolution to Conduct Meeting Outside of District Boundaries and Douglas County.

Following discussion, upon motion duly made by Director Cross, seconded by Director Murphy and, upon vote, unanimously carried, the Board adopted the Resolution to Conduct Meeting Outside of District Boundaries and Douglas County.

FINANCIAL MATTERS

Positive Pay and Bill.Com: Mr. Carroll discussed with the Board the use of bill.com for processing accounts payable. It was noted by the Board that all invoices are paid by Crowfoot Valley Ranch Metropolitan District No. 1; so, bill.com will not be needed by the District.

2018 Audit: The Board reviewed the proposals from Hanie & Company, Fiscal Focus Partners, LLC, and Stratagem to perform the 2018 Audit. Discussion ensued regarding the service received from the companies which had provided proposals.

Following discussion, upon motion duly made by Director Cross, seconded by Director Despard and, upon vote, unanimously carried, the Board approved the engagement of Fiscal Focus Partners LLC to perform the 2018 Audit, for an amount not to exceed \$6,900.

2018 Budget Amendment Hearing: The President opened the public hearing to consider a Resolution to Amend the 2018 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2018 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following review and discussion, Director Cross moved to adopt the Resolution to Amend 2018 Budget, Director Murphy seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2018-10-03 to Amend the 2018 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2019 Budget: The President opened the public hearing to consider the proposed 2019 Budget and discuss related issues.

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It was noted that publication of Notice stating that the Board would consider adoption of the Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Mr. Carroll reviewed the estimated 2018 revenues and expenditures and proposed 2019 revenues and expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2018-11-04 to Adopt the 2019 Budget and Appropriate Sums of Money and Set Mill Levies (for the General Fund at 22.111 mills, Debt Service Fund at 55.277, and Other Funds (Fire Protection) at 7.462 mills, for a total mill levy of 84.850 mills). Upon motion duly made by Director Murphy, seconded by Director Cross and, upon vote, unanimously carried, the Resolution was adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2018 and verification of the Fire Protection mill levy. Ms. Finn was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Douglas County and the Division of Local Government, not later than December 15, 2018. Ms. Finn was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2019. Copies of the adopted Resolution is attached to these minutes and incorporated herein by this reference.

DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made by Director Murphy, seconded by Director Cross and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

LEGAL MATTERS

There were no legal matters to discuss at this time.

OTHER MATTERS


There were no other matters to discuss at this time.

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ADJORNMENT

There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: 
Secretary for the Meeting

**CERTIFIED COPY OF ANNUAL ADMINISTRATIVE RESOLUTION OF
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2 (2019)**

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

At a special meeting of the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2, Douglas County, Colorado, held at 9:30 a.m., on November 19, 2018, at 1125 17th Street, Suite 700, Denver, Colorado, Colorado, there were present:

Chad Murphy
Richard Cross
John W. Despard
Matthew B. Greenberg

Absent: None.

Also present were: Matt Ruhland, Collins Cockrel & Cole, P.C., Vivian Bonham, CliftonLarsonAllen, LLP and Ann Finn, Special District Management Services.

When the following proceedings were had and done, to wit:

It was moved by Director Cross to adopt the following Resolution and ratify actions taken in connection herewith:

WHEREAS, the Crowfoot Valley Ranch Metropolitan District No. 2 (the "District") was organized as a special district pursuant to an Order of the District Court in and for Douglas County, Colorado (the "County") and is located entirely within Douglas County; and

WHEREAS, the Board of Directors of the District (the "Board") has a duty to perform certain obligations in order to assure the efficient operation of the District; and

WHEREAS, the Directors may receive compensation for their services subject to the limitations imposed by § 32-1-902(3)(a) (II), C.R.S.; and

WHEREAS, § 32-1-103(15), C.R.S., requires the Board of Directors to publish certain legal notices in a newspaper of general circulation in the District; and

WHEREAS, § 24-6-402(2)(c), C.R.S., specifies the duty of the Board at its first meeting of the calendar year to designate a public posting place within the boundaries of the District for notices of meetings, in addition to any other means of notice; and

WHEREAS, § 32-1-903(1), C.R.S., requires that the Board shall meet regularly at a time and in a place to be designated by the Board; and

WHEREAS, in accordance with the Colorado Governmental Immunity Act, the Board is given authority to obtain insurance against liability for injuries for which the District may be liable under the Governmental Immunity Act, pursuant to § 24-10-115, C.R.S.; and

WHEREAS, §§ 32-1-901(2) and 32-1-902(2), C.R.S., require the District to obtain an individual, schedule or blanket surety bond in an amount of no less than \$1,000 per director and \$5,000 for the Board Treasurer, and to file such bond with the District Court and the Division of Local Government (the "Division"); and

WHEREAS, § 32-1-306, C.R.S. requires the District to file a current, accurate map of its boundaries with the County Assessor, County Clerk and Recorder and the Division on or before January 1st of each year; and

WHEREAS, § 32-1-809, C.R.S., requires that the District, between November 16th and January 15th of the subsequent year, provide notice to the eligible electors of the District (the "Transparency Notice"), which notice shall contain the following information:

- The address and telephone number of the principal business office;
- The name and business telephone number of the manager or other primary contact person;
- The names of and contact information for members of the board, the name of the board chair, and the name of each member whose office will be on the ballot at the next regular special district election;
- The times and places designated for regularly scheduled meetings of the board during the year, and the place where notice of board meetings is posted pursuant to § 24-6-402(2)(c) C.R.S.;
- The current mill levy, and total ad valorem tax revenue received during the last year;
- The date of the next regular special district election of board members;
- The procedure and time to submit a self-nomination form for election to the board;
- Information on the procedures to request permanent absentee voter status; and
- The address of any web site on which the special district's election results will be posted.

The Transparency Notice shall be filed with the Division, Board of County Commissioners, County Assessor, County Treasurer and County Clerk and Recorder of each county in which the special district is located, and with the governing body of any

municipality in which the special district is located, and shall be provided to electors in one or more of the following ways:

- Mailing the notice separately to each household where one or more eligible electors of the special district resides;
- Including the notice as a prominent part of a newsletter, annual report, billing statement, letter, voter information card or other notice sent by the special district to the eligible electors;
- Posting the information on the official web site of the special district if there is a link to the district's web site on the official web site of the Division;
- For any district that is a member of the Special District Association, by mailing or electronically transmitting the notice to the Special District Association, which shall post the notice on its website.

WHEREAS, the Local Government Budget Law of Colorado, §§ 29-1-101, *et seq.*, C.R.S., requires the Board to hold a public hearing on proposed budgets and amendments thereto, to adopt budgets, and to file copies of the budgets and amendments thereto; and

WHEREAS, in accordance with the Public Securities Information Reporting Act, §§ 11-58-101, *et seq.*, C.R.S., issuers of non-rated public securities issued to the public must file an annual report with the Department of Local Affairs; and

WHEREAS, § 32-1-104.8, C.R.S., requires the District to record a Special District Disclosure Document and a map of the boundaries of the District with the County Clerk and Recorder at the time of recording any decree or order organizing a special district or including additional property in a special district; and

WHEREAS, in accordance with § 29-1-604(1), C.R.S., if expenditures and revenues of the District are not in excess of \$100,000, the District may file an application for exemption from audit with the State auditor; or, in accordance with § 29-1-604(2), C.R.S., if expenditures and revenues of the District are at least \$100,000 but not more than \$750,000 the District may file an application for exemption from audit with the State Auditor, or in accordance with § 29-1-603, C.R.S., the governing body of the District shall cause to be made an annual audit of the financial statements for each fiscal year; and

WHEREAS, the Unclaimed Property Act, §§ 38-13-101, *et seq.*, C.R.S., requires that governmental subdivisions, if applicable, file an annual report listing unclaimed property with the State Treasurer; and

WHEREAS, elections may be held pursuant to the Special District Act and the Colorado Local Government Election Code or the Uniform Election Code of 1992 for the purpose of (1) electing members of the District's Board of Directors; (2) to present

certain ballot issues to the eligible electors of the District as required by Article X, § 20 of the Colorado Constitution; and (3) to present certain ballot questions to the eligible electors of the District; and

WHEREAS, § 32-1-804(2), C.R.S., states that all powers and authority granted to the governing body of a political subdivision may be exercised by the appointed Designated Election Official; and

WHEREAS, § 1-13.5-502, C.R.S., specifies that the Board shall publish notice of election, including polling place locations, no later than 20 days prior to an election, and shall post notices no later than 20 days prior to the election; and

WHEREAS, § 32-1-1101.5, C.R.S., requires the District to certify results of any election to incur general obligation indebtedness to the Board of County Commissioners of each county in which the special district is located or to the governing body of the municipality that has adopted a resolution of approval of the District, and with the Division of Securities; and

WHEREAS, § 32-1-1604, C.R.S., requires within 30 days of incurring or authorizing general obligation debt that the District shall record a notice of such debt with the County Clerk and Recorder, on a form prescribed by the Division; and

WHEREAS, in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S., either the Board of County Commissioners of each county in which the special district is located, or the governing body of the municipality that has adopted a resolution of approval of the District, may require the District to file an application for quinquennial finding of reasonable diligence; and

WHEREAS, special district directors are governed by § 32-1-902(3), C.R.S., which requires such directors to disqualify himself/herself from voting on an issue in which he or she has a conflict of interest unless the director has properly disclosed such conflict in compliance with law; and

WHEREAS, § 32-1-902, C.R.S., requires the Board to elect officers, including a Chairperson of the Board and President of the District, a Treasurer of the Board and District, and a Secretary, who may be a member of the Board; and

WHEREAS, the Board desires to continue engagement of general counsel for the District to assist with providing legal services and to assist with the operation of the District; and

WHEREAS, the Board desires to continue engagement of an accountant for the District to assist with providing financial services and to assist with the financial operations and to manage the affairs of the District, and who shall also be designated as

the budget officer required to prepare and submit to the Board a proposed District budget by October 15, pursuant to §§ 29-1-104 and 29-1-105(3)(d), C.R.S.; and

WHEREAS, the Board desires to continue engagement of a manager for the District to assist with management services and to assist with the management operations and to manage the affairs of the District; and

WHEREAS, concerning the public records of the District, § 24-72-202(2), C.R.S. defines "Official Custodian" to mean and include any officer or employee of any political subdivision of the state who is responsible for the maintenance, care, and keeping of public records, regardless of whether the records are in his or her actual personal custody and control. The maintenance, care and keeping of public records shall be in accordance with the Colorado Special District Records Management Manual; and

WHEREAS, § 24-33.5-707(6), C.R.S., requires the Board to appoint an elected official to act as liaison officer to facilitate the cooperation and protection of the District in the work of disaster prevention, preparedness, response, and recovery because the District does not have its own disaster agency and has not made arrangements to secure or participate in the services of another local disaster agency.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2, DOUGLAS COUNTY, COLORADO AS FOLLOWS:

1. The Board of the District determines that each director shall not receive compensation for services as directors.
2. The Board designates the *Douglas County News Press* as the newspaper of general circulation within the boundaries of the District, or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in accordance with applicable statutes.
3. The Board designates the Green Castle Gate entrance at 4688 Crowfoot Valley Ranch Road, Castle Rock, Colorado, as the 24-hour posting place for meeting notices that are not otherwise posted under Title 32, C.R.S.
4. The Board determines to hold regular meetings on the first Monday of June and December (June 3, 2019 and December 2, 2019) at 9:30 a.m., at the offices of Hines, 1144 15th Street, Suite 3675, Denver, Colorado 80202. Regular and special meeting notices shall be posted at a total of three locations within the boundaries of the District, and in the offices of the Douglas County Clerk and Recorder pursuant to the 72-hour notice requirement found in Title 32, C.R.S.
5. The Board directs management to obtain and maintain insurance for the District, to insure the Directors acting within the scope of employment by the Board

against all or any part of such liability for an injury; to insure against the expense of defending a claim for injury against the District or its Board. Additionally, the Board directs general counsel to obtain bonds or equivalent insurance coverage as required by §§ 32-1-901(2) and 32-1-902(2), C.R.S., in an amount of no less than \$1,000 per director and \$5,000 for the Board Treasurer, and to file the bond or certificate of insurance with the District Court and the Division.

6. The Board directs management to file an accurate boundary map, as specified by the Division, with the County Assessor, County Clerk and Recorder and the Division on or before January 1st.

7. The Board directs management to provide the Transparency Notice to the eligible electors of the District, the Douglas County Board of Commissioners, County Assessor, County Treasurer, County Clerk and Recorder, the Division and the Special District Association, between November 16 and January 15 of the subsequent year.

8. The Board designates the District's accountant to serve as the budget officer, and to submit a proposed budget to the Board by October 15th for the following year, and, in cooperation with general counsel, to schedule a public hearing on the proposed budget; to prepare a final budget, budget resolutions and amendments to the budget, if necessary; to certify the mill levies on or before December 15th; and to file the approved budgets and amendments thereto with the proper governmental entities in accordance with the Local Government Budget Law of Colorado.

9. The Board directs legal counsel to prepare and file the annual public securities report for nonrated public securities issued by the District, with the Department of Local Affairs on or before March 1st, if applicable.

10. The Board directs management to provide the Special District Disclosure Document and a map of the District's boundaries to the County Clerk and Recorder, for recording, at the same time an inclusion order is recorded.

11. The Board directs the accountant to prepare or cause to be prepared for filing with the State Auditor either an Application for Exemption from Audit for the prior fiscal year by March 31st; or an audit of the financial statements by June 30th to be filed with the State Auditor by July 31st.

12. The Board directs management to prepare the Unclaimed Property Act report and forward the report to the State Treasurer by November 1st.

13. The Board hereby appoints Micki L. Mills of Collins Cockrel & Cole as the "Designated Election Official" of the District for any elections to be held during 2019 and any subsequent year. The Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official, including but not

limited to appointing election judges, appointing a canvass board and cancellation, if applicable, of the election.

14. The Board deems it expedient for the convenience of the electors that it shall conduct all regular and special elections of the District via a mail ballot election unless a polling place election is deemed necessary and expressed in a separate election resolution.

15. The District directs the Designated Election Official to notify the Division of the results of any elections held by the District, including business address, telephone number and the contact person.

16. The District directs the Designated Election Official to certify results of any election to incur general obligation indebtedness to the Douglas County Commissioners and with the Division of Securities

17. Whenever the District authorizes or incurs general obligation debt, the Board directs the Designated Election Official to record a notice of such debt with the Douglas County Clerk and Recorder, within 30 days of authorizing or incurring the debt, on a form prescribed by the Division.

18. The Board directs legal counsel to prepare and file with the Board of County Commissioners, if requested, the quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.

19. The Board directs management to prepare and file the special district annual report with the Board of County Commissioners, the Division of Local Government, and the State Auditor and shall further deposit a copy of such report with the County Clerk and Recorder per § 32-1-207(3)(c), C.R.S; if required.

20. The District hereby directs each present and future member of the Board to execute an Affidavit of Qualification of Director, to be retained in the District's files.

21. The District hereby elects the following officers for the District:

President/Chair of the Board – Chad Murphy
Treasurer – Richard Cross
Assistant Secretary – John W. Despard
Assistant Secretary – Matthew B. Greenberg
Secretary – Ann E. Finn

22. The Board directs general counsel to file conflict of interest disclosure forms provided by Board members with the Secretary of State annually. At the discretion of general counsel, transactional conflict of interest disclosures shall be filed 72 hours prior to meetings of the Board, when applicable, or at a Board member's request. In

addition, written disclosures required to be filed with the governing body in accordance with § 18-8-308, C.R.S., shall be deemed filed with the Board of Directors of the District when filed with the Secretary of State.

23. The Board extends the current indemnification resolution to allow the resolution to continue in effect as written.

24. The Board continues the engagement of Collins, Cockrel & Cole, P.C. as general counsel for the District.

25. The Board continues the engagement of the firm of CliftonLarsonAllen, LLP to provide accounting services for the District.

26. The Board continues the engagement of the Special District Management Services, Inc. to provide management services for the District.

27. The Board designates Collins Cockrel & Cole, P.C. to serve as the official custodian of public records and to follow the Colorado Special District Records Management Manual.

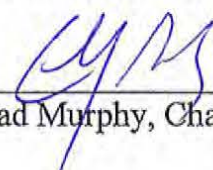
28. The Board designates the President/Chair of the Board as liaison officer responsible for facilitating the work of disaster prevention and emergency management.

WHEREUPON, the motion was seconded by Director Murphy and upon vote, unanimously carried. The Chair declared the motion carried and so ordered.

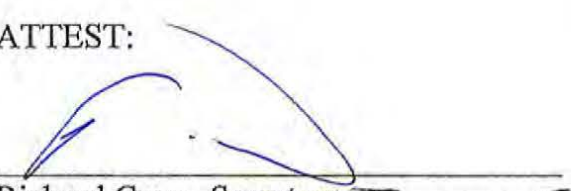
ADOPTED AND APPROVED THIS 19th DAY OF NOVEMBER, 2018.

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2

By: _____


Chad Murphy, Chair


ATTEST:


Richard Cross, Secretary Treasurer

CERTIFICATION

I, Richard Cross, Secretary of the Board of the Crowfoot Valley Ranch Metropolitan District No. 2, Douglas County, Colorado do hereby certify that the attached and foregoing Resolution is a true copy from the records of the proceedings of the Board of said District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Crowfoot Valley Ranch Metropolitan District No. 2 this 19th day of November, 2018.


Richard Cross, Secretary Treasurer

[SEAL]

**RESOLUTION TO CONDUCT MEETING OUTSIDE
OF DISTRICT BOUNDARIES AND DOUGLAS COUNTY**

WHEREAS, the Crowfoot Valley Ranch Metropolitan District No. 2 (the "District") is a special district of the State of Colorado, governed by Title 32, Article 1, C.R.S., also known as the Special District Act; and

WHEREAS, pursuant to Section 32-1-903(1), C.R.S., all special and regular meetings of the Board of Directors of a special district are to be held at locations which are within the boundaries of the District or which are within the boundaries of any county in which the District is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the District boundaries; and

WHEREAS, the Board of Directors (the "Board") of the District has determined that, for reasons of convenience and fiscal efficiencies, a Board meeting must be held at a location more than twenty (20) miles from the District boundaries.

NOW, THEREFORE, BE IT RESOLVED, that:

1. The next meeting of the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 will be held at the offices of the Board Chair, located at 1125 17th Street, Suite 700, Denver, Colorado or 1144 15th Street, Suite 3675, Denver, Colorado.

2. The reasons for holding such meeting more than twenty (20) miles outside of the District boundaries are that:

(a) All the Directors and consultants of the District reside outside of the District boundaries; and


(b) It is more convenient and economical under the circumstances to conduct the business of the Board and the District at the offices of the District's Board Chair, which is outside of the District boundaries and Douglas, Colorado.

3. The Board may consider holding other meetings more than twenty (20) miles outside of the District boundaries at subsequent meetings.

ADOPTED this 19th day of November, 2018.

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2

By: _____


Chad Murphy, Chair

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

RESOLUTION TO AMEND 2018 BUDGET

WHEREAS, the Board of Directors of Crowfoot Valley Ranch Metropolitan District No. 2 (the "District") adopted a budget and appropriated funds in the General Fund for the 2018 fiscal year as follows:

General Fund	\$ 57,183
Debt Service Fund	\$ 0
Capital Projects Fund	<u>\$ 0</u>
Total	\$ 57,183

WHEREAS, on June 19, 2018, the District issued general obligation bonds in the amounts of \$31,945,000 and \$3,260,000, requiring the addition of the Debt Service Fund and Capital Projects Fund; and

WHEREAS, as a result of the issuance of such general obligation bonds, additional expenditures in the General Fund are necessary resulting in expenditures in excess of appropriations for the 2018 fiscal year; and

WHEREAS, such new Debt Service Fund and Capital Projects Fund and additional expenditures are contingencies which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, funds are available for such expenditures from unanticipated revenue (other than property taxes), developer advances, general obligation bonds or other surplus funds.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Crowfoot Valley Ranch Metropolitan District No. 2 hereby adopts a supplemental budget and appropriation for the General Fund, Debt Service Fund and Capital Projects Fund for the 2018 fiscal year as follows:


General Fund	\$ 75,000
Debt Service Fund	\$ 900,000
Capital Projects Fund	<u>\$ 10,303,112</u>
Total	\$ 11,278,112

BE IT FURTHER RESOLVED, that such sums are hereby appropriated for expenditure from any available funds in each fund in accordance with the provisions of §29-1-109, C.R.S.

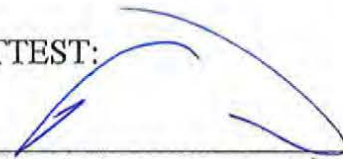
ADOPTED this 19th day of November, 2018.

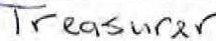
CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2

By: _____


Chad Murphy, Chair

ATTEST:


Richard Cross, Secretary


Treasurer

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
RESOLUTION TO ADOPT BUDGET

WHEREAS, the Board of Directors (the "Board") of Crowfoot Valley Ranch Metropolitan District No. 2 (the "District") has appointed a budget committee to prepare and submit a proposed 2019 budget to the Board at the proper time; and

WHEREAS, such budget committee has submitted the proposed budget to the Board for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on November 19, 2018, and interested electors were given the opportunity to file or register any objections to the budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever decreases may have been made in the revenues, like decreases were made to the expenditures so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Crowfoot Valley Ranch Metropolitan District No. 2:

1. That estimated expenditures for each fund are as follows:

General Fund:	\$ 22,333
Debt Service Fund:	\$ 1,835,520
Capital Projects Fund:	\$ 25,318,288
Total	\$ 27,176,141

2. That estimated revenues are as follows:

<u>General Fund:</u>	
From unappropriated surpluses	\$ 0
From sources other than general property tax	\$ 3,770
From general property tax	<u>\$18,563</u>
Total	\$22,333

Debt Services Fund:

From unappropriated surpluses	\$6,311,612
From sources other than general property tax	\$ 102,070
From general property tax	\$ 34,697
Total	\$6,448,379

Capital Projects Fund:

From unappropriated surpluses	\$24,928,288
From sources other than general property tax	\$ 390,000
From general property tax	\$ 0
Total	\$25,318,288

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of the District for the 2019 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

TO SET MILL LEVIES

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses is \$13,879; and

WHEREAS, the amount of money from property taxes necessary to balance the budget for debt service is \$34,697; and

WHEREAS, the amount of money from property taxes necessary to balance the budget for contractual obligation purposes is \$4,684; and

WHEREAS, the 2018 valuation for assessment of the District, as certified by the County Assessor, is \$627,700.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Crowfoot Valley Ranch Metropolitan District No. 2:

1. That for the purpose of meeting the general operating expenses of the District during the 2019 budget year, there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of 22.111 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$13,879.

2. That for the purpose of meeting debt service expenses of the District during the 2019 budget year, there is hereby levied a property tax of 55.277 mills upon each

dollar of the total valuation for assessment of all taxable property within the District to raise \$34,697.

3. That for the purpose of meeting contractual obligations of the District during the 2019 budget year, there is hereby levied a property tax of 7.462 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$4,684.

4. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of Douglas County, Colorado, the mill levies for the District as hereinabove determined and set, or as adjusted, if necessary, upon receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits.

TO APPROPRIATE SUMS OF MONEY

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

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Crowfoot Valley Ranch Metropolitan District No. 2 that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

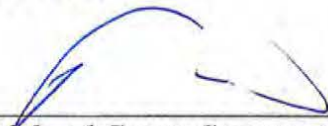
General Fund:	\$ 22,333
Debt Service Fund:	\$ 1,835,520
Capital Projects Fund:	\$ 25,318,288
Total	\$ 27,176,141

ADOPTED and approved this 19th day of November, 2018.

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2

By:  _____
Chad Murphy, Chair

ATTEST:

 _____
Richard Cross, Secretary *Treasurer*

CERTIFICATION OF 2019 BUDGET OF
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

TO: THE DIVISION OF LOCAL GOVERNMENT

This is to certify that the budget, attached hereto, is a true and accurate copy of the budget for Crowfoot Valley Ranch Metropolitan District No. 2, for the budget year ending December 31, 2019, as adopted on November 19, 2018.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of Crowfoot Valley Ranch Metropolitan District No. 2, Douglas County, Colorado, this 19th day of November, 2018.



Chad Murphy, Chair



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.CLAconnect.com

Accountant's Compilation Report

Board of Directors
Crowfoot Valley Ranch Metropolitan District No. 2

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Crowfoot Valley Ranch Metropolitan District No. 2 for the year ending December 31, 2019, including the estimate of comparative information for the year ending December 31, 2018 and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to the Crowfoot Valley Ranch Metropolitan District No. 2.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 4, 2019

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/8/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 31,239,900
REVENUES			
Property taxes	41,364	47,899	48,576
Specific ownership tax	4,967	4,790	5,326
Interest income	-	34,900	488,600
Fire protection tax	3,989	4,616	4,684
Developer advance	-	13,000	-
Other revenue	-	4,695	1,914
Bond proceeds - Series 2018A	-	31,945,000	-
Bond proceeds - Series 2018B	-	3,260,000	-
Total revenues	<u>50,320</u>	<u>35,314,900</u>	<u>549,100</u>
TRANSFERS IN	<u>-</u>	<u>8,303,112</u>	<u>-</u>
Total funds available	<u>50,320</u>	<u>43,618,012</u>	<u>31,789,000</u>
EXPENDITURES			
General and administrative	50,320	75,000	22,333
Debt service	-	900,000	1,835,520
Capital projects	-	2,000,000	25,318,288
Total expenditures	<u>50,320</u>	<u>2,975,000</u>	<u>27,176,141</u>
TRANSFERS OUT	<u>-</u>	<u>8,303,112</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>50,320</u>	<u>11,278,112</u>	<u>27,176,141</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ 32,339,900</u>	<u>\$ 4,612,859</u>
CAPITALIZED INTEREST FUND	<u>\$ -</u>	<u>\$ 4,630,718</u>	<u>\$ 2,805,899</u>
SURPLUS FUND	<u>-</u>	<u>2,854,000</u>	<u>2,854,000</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 7,484,718</u>	<u>\$ 5,659,899</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/8/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
ASSESSED VALUATION			
Residential	\$ 35,430	\$ 40,570	\$ 40,570
Agricultural	37,090	38,540	43,030
State assessed	518,400	8,200	8,100
Personal property		531,600	536,000
Certified Assessed Value	<u>\$ 590,920</u>	<u>\$ 618,910</u>	<u>\$ 627,700</u>
MILL LEVY			
General	70.000	77.388	22.111
Debt Service	0.000	0.000	55.277
Fire Protection	6.750	7.462	7.462
Total mill levy	<u>76.750</u>	<u>84.850</u>	<u>84.850</u>
PROPERTY TAXES			
General	\$ 41,364	\$ 47,896	\$ 13,879
Debt Service	-	-	34,697
Fire Protection	3,989	4,618	4,684
Levied property taxes	<u>45,353</u>	<u>52,514</u>	<u>53,260</u>
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	<u>\$ 45,353</u>	<u>\$ 52,514</u>	<u>\$ 53,260</u>
BUDGETED PROPERTY TAXES			
General	\$ 41,364	\$ 47,896	\$ 13,879
Debt Service	-	-	34,697
Fire Protection	3,989	4,618	4,684
Budgeted property taxes	<u>\$ 45,353</u>	<u>\$ 52,514</u>	<u>\$ 53,260</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/8/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	41,364	47,899	13,879
Specific ownership tax	4,967	4,790	1,856
Fire Protection Tax	3,989	4,616	4,684
Developer advance	-	13,000	-
Other revenue	-	4,695	1,914
Total revenues	<u>50,320</u>	<u>75,000</u>	<u>22,333</u>
Total funds available	<u>50,320</u>	<u>75,000</u>	<u>22,333</u>
EXPENDITURES			
General and administrative			
Accounting	-	13,000	-
Audit	-	-	-
County Treasurer's fee	680	788	278
Dues and licenses	-	-	-
Insurance and bonds	-	-	-
District management	-	-	-
Legal services	-	-	-
Miscellaneous	-	-	-
Election expense	-	-	-
Noxious Weed Control	-	-	-
Contingency	-	4,695	1,914
Transfer to District 1	45,709	51,968	20,141
Payment to Town	3,931	4,549	-
Total expenditures	<u>50,320</u>	<u>75,000</u>	<u>22,333</u>
Total expenditures and transfers out requiring appropriation	<u>50,320</u>	<u>75,000</u>	<u>22,333</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/8/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 6,311,612
REVENUES			
Property taxes	-	-	34,697
Specific ownership tax	-	-	3,470
Facility fees	-	-	-
Interest income	-	8,500	98,600
Total revenues	<u>-</u>	<u>8,500</u>	<u>136,767</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>8,303,112</u>	<u>-</u>
Total funds available	<u>-</u>	<u>8,311,612</u>	<u>6,448,379</u>
EXPENDITURES			
Debt Service			
Series 2018A Bond Interest	-	821,168	1,824,819
County Treasurer's fee	-	-	520
Trustee fees	-	-	5,000
Contingency	-	78,832	5,181
Total expenditures	<u>-</u>	<u>900,000</u>	<u>1,835,520</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>900,000</u>	<u>1,835,520</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 7,411,612</u>	<u>\$ 4,612,859</u>
CAPITALIZED INTEREST FUND	\$ -	\$ 4,630,718	\$ 2,805,899
SURPLUS FUND	-	2,854,000	2,854,000
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 7,484,718</u>	<u>\$ 5,659,899</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/8/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 24,928,288
REVENUES			
Interest income	-	26,400	390,000
Bond Proceeds - Series 2018A	-	31,945,000	-
Bond Proceeds - Series 2018B	-	3,260,000	-
Total revenues	-	35,231,400	390,000
Total funds available	-	35,231,400	25,318,288
EXPENDITURES			
Capital Projects			
Bond Issue Costs	-	973,700	-
Intergovernmental Expenditure - District No. 1	-	-	25,318,288
Repay Developer Advance	-	1,026,300	-
Total expenditures	-	2,000,000	25,318,288
TRANSFERS OUT			
Transfers to other fund	-	8,303,112	-
Total expenditures and transfers out requiring appropriation	-	10,303,112	25,318,288
ENDING FUND BALANCE	\$ -	\$ 24,928,288	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Douglas County on December 3, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County, Colorado.

The District was organized to provide financing for the design, acquisition, installation and construction of sanitation improvements, water improvements, street improvements, traffic and safety control improvements, park and recreation improvements, transportation improvements, television relay and translation improvements, mosquito control, fire protection, emergency medical services, and operation and maintenance of the District. Under the Service Plan, the District is the Financing District related to Crowfoot Valley Ranch Metropolitan District No. 1, the Service District ("District No. 1").

On November 4, 2014, the District's voters authorized general obligation indebtedness of \$53,000,000 for street improvements, \$53,000,000 for parks and recreation, \$53,000,000 for water supply system, \$53,000,000 for sanitary sewer system, \$53,000,000 for traffic and safety control, \$53,000,000 for public transport, \$53,000,000 for fire protection and emergency response facilities, and \$106,000,000 for refinancing of District debt. This voter authorization replaced the voter authorization of November 5, 2002. District voters also approved authorization for the District to retain and spend District revenues, from any lawful source, in excess of the spending, revenue raising or other limitations in Article X, Section 20 of the Colorado constitution.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

The District's service plan sets a mill levy cap for payment of general obligation debt and for operations and maintenance of 70.000 mills district wide, with 20.000 mills for operating costs. Additionally 6.750 mills is designated for fire protection, payable to the Castle Rock Fire Protection District. The operating mill levy may include an additional levy not to exceed 10.00 mills for subdistricts created to serve specific areas within the district.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.20% from 7.96% for property tax years 2017-2018 on April 17, 2017 with a report submitted to the State Board of Equalization. Accordingly, the mill levy has been adjusted upward to reflect the change assessed value calculation.

The property taxes levied are as shown on the Property Tax Summary Page.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 10.0% of the total property taxes collected by the General Fund.

Facilities Fees

Capital Fees are pledged to the payment of the Bonds and are generally defined to mean all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District at the time of issuance of the Bonds or thereafter, including Facilities Fees. The District is expected to adopt a Facilities Fee Resolution prior to the issuance of the Bonds. Capital Fees do not include Excluded Fees, which are defined in the Indentures as any fee imposed by the District solely for the purpose of funding operation and maintenance expenses.

The Facilities Fee Resolution will impose a one-time fee in the amount of \$3,000 for each single-family or multi-family dwelling unit located within the District. The Facilities Fees are payable at the time a building permit is issued by the County for any dwelling unit. Facilities Fees are pledged to the payment of the Bonds.

Expenditures

General and Administrative Expenditures

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures - (continued)

Payment to Town

The District has entered into an intergovernmental agreement with the Town of Castle Rock for fire protection and emergency response services. The Town of Castle Rock was required to build a new fire station to service the District and as a result the District agreed to levy 7.462 mills, as adjusted for changes in assessed valuation, and remit the proceeds, net of collection fees, to the Town annually.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Debt and Leases

Series 2018 Bonds

One June 19, 2018 the District issued 2018A Senior Bonds and the 2018B Subordinate Bonds in the respective amounts of \$31,945,000 and \$3,260,000. Proceeds from the sale of the 2018A Senior Bonds will be used to: (i) finance or reimburse the costs of public improvements related to the Development; (ii) fund capitalized interest on the 2018A Senior Bonds; (iii) make an initial deposit to the 2018A Surplus Fund; and (iv) pay the costs of issuance of the Bonds. Proceeds from the sale of the 2018B Subordinate Bonds will be used to: (i) finance or reimburse the cost of public improvements related to the Development; and (ii) pay certain other costs of issuance of the 2018B Subordinate Bonds.

The 2018A Senior Bonds are will bear interest at rates ranging from 5.625% to 5.750% and are payable semi-annually on June 1 and December 1, beginning on December 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2026. The 2018A Senior Bonds mature on December 1, 2048. The 2018B Subordinate Bonds are assumed to be issued at the rate of 8% per annum and are payable annually on December 15, beginning December 15, 2018, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2048.

The 2018B Subordinate Bonds will bear interest at 8.00% and are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the 2018B Subordinate Bonds compounds annually at the rate then borne by the 2018B Subordinate Bonds on each December 15. In the event any amounts due and owing on the 2018B Subordinate Bonds remain outstanding on December 15, 2058, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The 2018A Senior Bonds are payable solely from and to the extent of the Senior Pledged Revenue, defined generally in the 2018A Senior Indenture as the following, net of any costs of collection: a) all Senior Property Tax Revenues (generally defined as revenues resulting from the imposition of the Senior Required Mill Levy); b) all Senior Specific Ownership Tax Revenues, resulting from the imposition of the Senior Required Mill Levy; c) all Capital Fees; and d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

The 2018A Senior Bonds are additionally secured by the 2018A Surplus Fund, which will initially be partially funded with proceeds of the 2018A Senior Bonds, and will also be funded with excess Senior Pledged Revenue, if any, to the Maximum Surplus Amount of \$6,389,000, and by capitalized interest which will be funded with proceeds of the 2018A Senior Bonds. Amounts on deposit in the 2018A Surplus Fund (if any) on the final maturity date of the 2018A Senior Bonds shall be applied to the payment of the 2018A Senior Bonds. The availability of such amount shall be taken into account in calculating the Senior Required Mill Levy required to be imposed in December 2047.

The 2018B Subordinate Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue, which is defined generally in the 2018B Subordinate Indenture as the following, net costs of collection: a) all Subordinate Property Tax Revenues (generally defined as revenues resulting from the imposition of the Subordinate Required Mill Levy); b) all Subordinate Specific Ownership Tax Revenues, resulting from the imposition of the Subordinate Required Mill Levy; c) all Subordinate Capital Fee Revenue; and d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund. Subordinate Capital Fee Revenue is defined as any revenue from Capital Fees remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of any Senior Obligations. For the Senior Required Mill Levy and the Subordinate Required Mill Levy, the Indentures separate property taxes and specific ownership taxes generated by each mill levy. Receipts generated from the Senior Required Mill Levy are pledged to the repayment of the 2018A Senior Bonds and receipts generated from the Subordinate Required Mill Levy are pledged to the repayment of the 2018B Subordinate Bonds. In no event is Subordinate Pledged Revenue required to be deposited to the Senior Bond Fund or to be applied to debt service on the 2018A Senior Bonds. Assumptions related to debt principal amounts, bond interest rates, issuance costs, capitalized interest amounts, and other related debt service costs for the proposed 2018A Senior Bonds and 2018B Subordinate Bonds have been provided to Management by D.A. Davidson & Co., the underwriter of the proposed bond issuance of the District.

Leases

The District has no outstanding indebtedness, nor any operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending, as defined under TABOR.

Surplus Fund

The 2018A Senior Bonds are additionally secured by the 2018A Surplus Fund, which will initially be partially funded with proceeds of the 2018A Senior Bonds, and will also be funded with excess Senior Pledged Revenue, if any, to the Maximum Surplus Amount of \$6,389,000, and by capitalized interest which will be funded with proceeds of the 2018A Senior Bonds.

This information is an integral part of the accompanying budget.

CROWFOOT VALLEY RANC METROPOLITAN DISTRICT NO. 2
 SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
 LONG TERM DEBT
 December 31, 2019

Bonds and Interest Maturing in the Year Ending December 31,	\$31,945,000 Limited Tax General Obligation Bonds Series 2018A Interest 5.625% - 5.750% Dated June 13, 2018 Interest Payable June 1 and December 1 Principal Payable December 1			
	Principal	Interest	Total	
	2019	\$ -	\$ 1,824,819	\$ 1,824,819
	2020	-	1,824,819	1,824,819
2021	-	1,824,819	1,824,819	
2022	-	1,824,819	1,824,819	
2023	-	1,824,819	1,824,819	
2024	-	1,824,819	1,824,819	
2025	-	1,824,819	1,824,819	
2026	25,000	1,824,819	1,849,819	
2027	190,000	1,823,413	2,013,413	
2028	380,000	1,812,725	2,192,725	
2029	515,000	1,791,350	2,306,350	
2030	660,000	1,762,381	2,422,381	
2031	710,000	1,725,256	2,435,256	
2032	800,000	1,685,319	2,485,319	
2033	845,000	1,640,319	2,485,319	
2034	945,000	1,592,788	2,537,788	
2035	995,000	1,539,631	2,534,631	
2036	1,105,000	1,483,663	2,588,663	
2037	1,165,000	1,421,506	2,586,506	
2038	1,280,000	1,355,975	2,635,975	
2039	1,355,000	1,283,975	2,638,975	
2040	1,485,000	1,206,063	2,691,063	
2041	1,570,000	1,120,675	2,690,675	
2042	1,715,000	1,030,400	2,745,400	
2043	1,815,000	931,788	2,746,788	
2044	1,970,000	827,425	2,797,425	
2045	2,085,000	714,150	2,799,150	
2046	2,260,000	594,263	2,854,263	
2047	2,390,000	464,313	2,854,313	
2048	5,685,000	326,888	6,011,888	
	\$ 31,945,000	\$ 42,732,818	\$ 74,677,818	

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Douglas County, Colorado.

On behalf of the Crowfoot Valley Ranch Metropolitan District No. 2,
(taxing entity)^A

the Board of Directors
(governing body)^B

of the Crowfoot Valley Ranch Metropolitan District No. 2
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 627,700 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

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: \$ 627,700 (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: 11/30/2018 for budget/fiscal year 2019.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>22.111</u> mills	\$ <u>13,879</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	22.111 mills	\$ 13,879
3. General Obligation Bonds and Interest ^J	<u>55.277</u> mills	\$ <u>34,697</u>
4. Contractual Obligations ^K	<u>7.462</u> mills	\$ <u>4,684</u>
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	84.850 mills	\$53,260

Contact person: (print) Jason Carroll Daytime phone: (303) 779-5710

Signed: Jason Carroll Title: Accountant for the District

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, CO 80203. Questions? Call DLG at (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 (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues 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^J:

1.	Purpose of Issue:	Public Infrastructure
	Series:	2018A Obligation Bonds
	Date of Issue:	June 13, 2018
	Coupon Rate:	Fixed rate from 5.625% to 5.750%
	Maturity Date:	December 1, 2048
	Levy:	55.277
	Revenue:	\$34,697

2.	Purpose of Issue:	_____
	Series:	_____
	Date of Issue:	_____
	Coupon Rate:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

CONTRACTS^K:

3.	Purpose of Contract:	Fire protection and emergency response
	Title:	Intergovernmental Agreement
	Date:	2007
	Principal Amount:	N/A
	Maturity Date:	Irrepealable unless otherwise agreed in writing
	Levy:	7.462 Mills
	Revenue:	\$4,684

4.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

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