

**NEW ISSUE
BOOK-ENTRY-ONLY**

INSURED RATING: S&P Global Ratings “AA”
INSURANCE: Assured Guaranty Inc.
UNDERLYING RATING: S&P Global Ratings “BBB”
See “MISCELLANEOUS—Ratings”

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations, and continuing compliance with certain covenants, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. For a more detailed description of such opinions of Bond Counsel, see “TAX MATTERS” herein.

\$15,025,000 *
BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
(in the Town of Gypsum, Eagle County, Colorado)
GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS
SERIES 2025

Dated: Date of Delivery**Due: December 1, as shown below**

The Bonds are being issued as fully registered obligations in denominations of \$5,000 in principal amount or any integral multiple thereof. Interest on the Bonds, at the rates set forth below, is payable semiannually on June 1 and December 1, commencing December 1, 2025. Zions Bancorporation, N.A. will act as Paying Agent for the Bonds and The Depository Trust Company, New York, New York, will act as securities depository for the Bonds. The Bonds will be issued in book-entry-only form and purchasers of the Bonds will not receive certificates evidencing their ownership interests in the Bonds. Capitalized terms used on the cover page of this Official Statement are defined in the Introduction herein or in APPENDIX B. The Bonds mature, bear per annum interest and are priced, or priced to yield, as follows:

MATURITY SCHEDULE
CUSIP® NO. 118383 ²

Maturity Date (December 1) *	Principal Amount *	Interest Rate	Yield or Price	CUSIP [®], ²	Maturity Date (December 1) *	Principal Amount *	Interest Rate	Yield or Price	CUSIP [®], ²
2026	\$115,000				2031	\$285,000			
2027	235,000				2032	300,000			
2028	245,000				2033	315,000			
2029	255,000				2034	330,000			
2030	270,000				2035	345,000			
	\$ 740,000 *	%	Term Bond due December 1, 2037 *	Yield	%	CUSIP 118383	²		
	\$1,260,000 *	%	Term Bond due December 1, 2040 *	Yield	%	CUSIP 118383	²		
	\$2,575,000 *	%	Term Bond due December 1, 2045 *	Yield	%	CUSIP 118383	²		
	\$3,370,000 *	%	Term Bond due December 1, 2050 *	Yield	%	CUSIP 118383	²		
	\$4,850,000 *	%	Term Bond due December 1, 2055 *	Yield	%	CUSIP 118383	²		

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY INC.



The Bonds are limited tax general obligations of the District secured by the Pledged Revenue which includes revenue derived by the District (including any interest income thereon) from the following sources, after deduction of any Direct Costs of Collection: (a) the Limited Mill Levy; and (b) any other legally available moneys deposited into the Bond Account. The District has covenanted to levy an ad valorem mill levy upon all taxable property within the District at a rate not to exceed the Limited Mill Levy and in an amount sufficient to pay the Bonds and any Parity Obligations as the same become due and payable.

Proceeds from the sale of the Bonds will be used for the purposes of: (a) refunding the District's outstanding General Obligation Limited Tax Bonds, Series 2003; Subordinate General Obligation Limited Tax Bonds, Series 2008; and General Obligation Limited Tax Refunding and Improvement Bonds, Series 2010; (b) funding the Reserve Account; and (c) paying the costs of issuance of the Bonds.

The Bonds are subject to optional, extraordinary, and mandatory sinking fund redemption prior to maturity at the prices and upon the terms set forth in this Official Statement.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision. Each prospective investor should read this entire Official Statement and should give particular attention to the section entitled “RISK FACTORS.”

The Bonds are offered when, as, and if issued by the District, subject to prior sale, withdrawal or modification of the offer without notice and subject to the approval of legality by Kutak Rock LLP, Denver, Colorado, as Bond Counsel, and certain other conditions. Certain matters will be passed upon by Rufien Law, Denver, Colorado, as General Counsel to the District. Kutak Rock LLP, Denver, Colorado, has also acted as Special Counsel to the District for purposes of assisting the District with the preparation of this Official Statement. Butler Snow LLP has served as counsel to the Underwriter. The Bonds are expected to be available for delivery through the facilities of DTC on or about August __, 2025.

STIFEL

This Official Statement is dated August __, 2025.

* Preliminary; subject to change.

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¹ This Preliminary Official Statement supersedes and replaces the District's prior Preliminary Official Statement dated July 17, 2025

² The District takes no responsibility for the accuracy of the CUSIP numbers, which are included solely for the convenience of owners of the Bonds.

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
(in the Town of Gypsum, Eagle County, Colorado)

\$15,025,000 *
GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS
SERIES 2025

Board of Directors

Nickolas R. Viau, President
Peter Wehrenberg, Secretary
David Fiore, Director
Angela Heuman, Director
Vacant

General Counsel to the District

Rufien Law
Denver, Colorado

Underwriter

Stifel, Nicolaus & Company, Incorporated
Denver, Colorado

Paying Agent and Bond Registrar

Zions Bancorporation, N.A.
Denver, Colorado

Bond/Special Counsel

Kutak Rock LLP
Denver, Colorado

Underwriter's Counsel

Butler Snow LLP
Denver, Colorado

* Preliminary; subject to change.

No dealer, salesman or other person has been authorized to give any information or to make any representation, other than the information contained in this Official Statement, in connection with the offering of the Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the District or the Underwriter. The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The Underwriter has provided the following sentence for inclusion within this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. Investors must be willing and able to conduct an independent investigation of the risks attendant to ownership of the Bonds, including their own evaluation of the prospects for development within the District. Neither the contents of this Official Statement nor any prior or subsequent communications from the District or any of its officers, directors, employees or agents constitute legal, tax, accounting or regulatory advice. Before purchasing, prospective investors should consult with their own legal counsel and business and tax advisors to determine the consequences of an investment in the Bonds and should make an independent evaluation of the investment.

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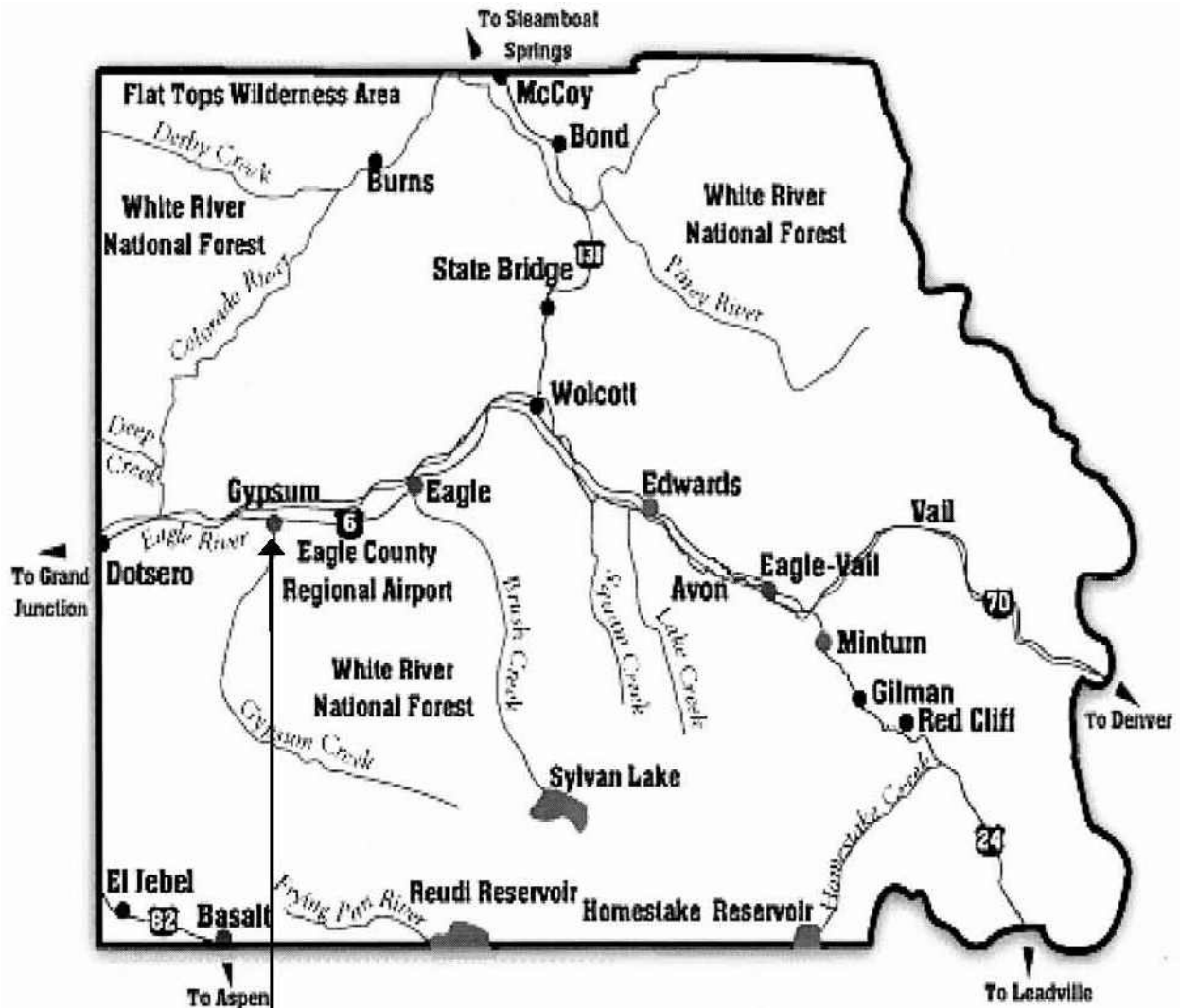
Neither the Securities and Exchange Commission nor any securities regulatory authority of any state has approved or disapproved the Bonds or this Official Statement. Any representation to the contrary is unlawful.

Assured Guaranty Inc. (“AG” or the “Bond Insurer”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading “BOND INSURANCE” and “APPENDIX G—Specimen Municipal Bond Insurance Policy.”

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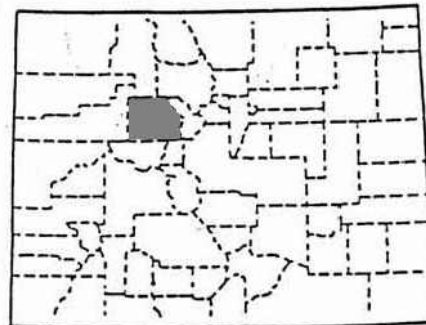
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EAGLE COUNTY MAP

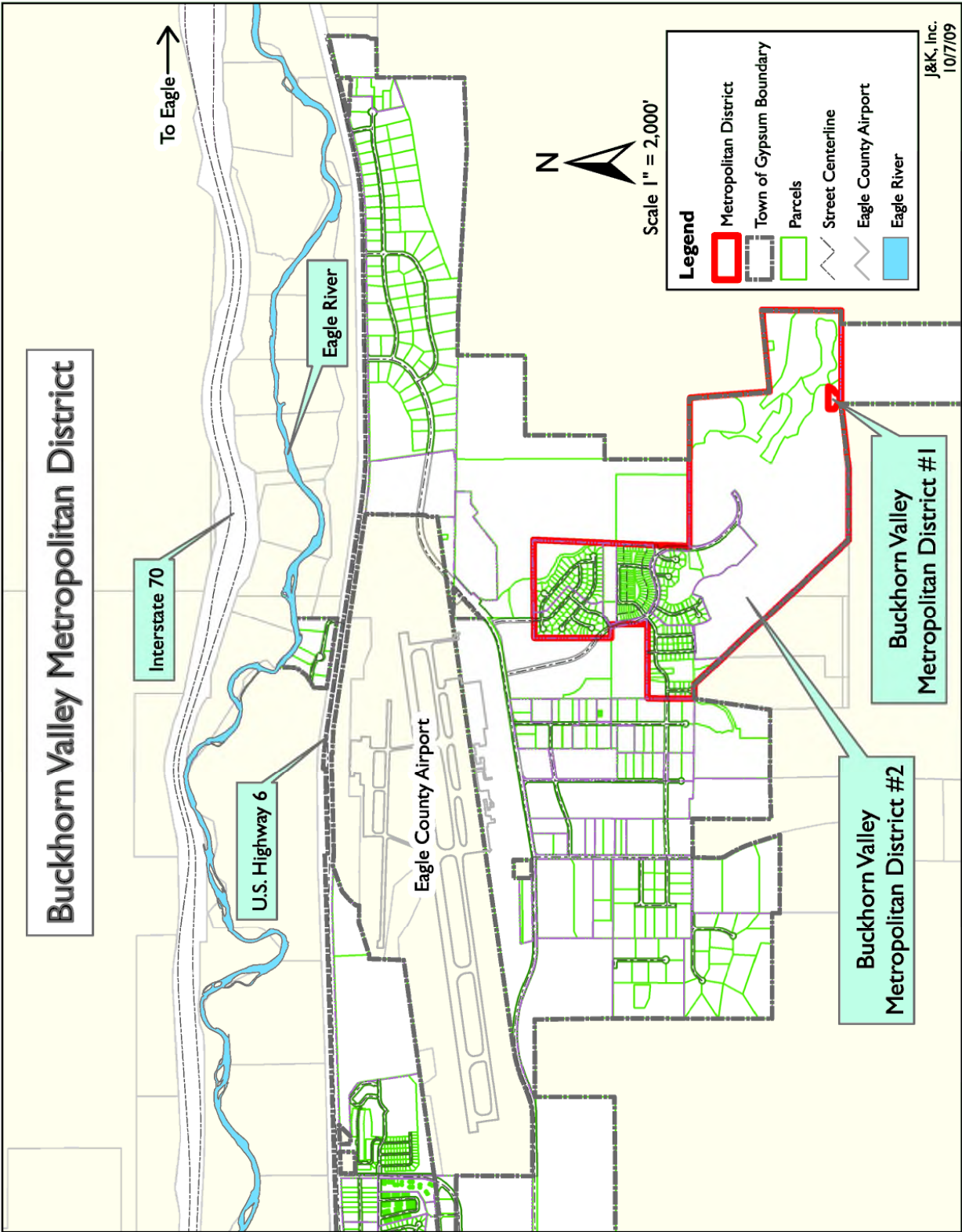


District
Vicinity

Colorado



DISTRICT MAP



INTRODUCTION

This Official Statement is furnished to prospective purchasers of \$15,025,000 * General Obligation Limited Tax Refunding Bonds, Series 2025 (the “Bonds” or the “2025 Bonds”), issued by Buckhorn Valley Metropolitan District No. 2 (the “District”), in the Town of Gypsum (the “Town”), Eagle County (the “County”), Colorado (the “State”). The offering of the Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The information set forth in this Official Statement has been obtained from the District, the Developer (hereinafter defined), and from other sources believed to be reliable but is not guaranteed as to accuracy or completeness. This Official Statement, including the appendices hereto, contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized. See “FORWARD LOOKING STATEMENTS.”

Capitalized terms used and not otherwise defined in this Official Statement have the respective meanings assigned to them in the “Selected Definitions” set forth in Appendix B hereto, unless the context clearly indicates a contrary meaning.

The following introductory material is only a brief description of, and is qualified by, the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein.

District..... Buckhorn Valley Metropolitan District No. 2 (the “District” or “District No. 2”) consists of an approximately 368-acre residential planned unit development located in the central Rocky Mountains entirely within the boundaries of the Town of Gypsum. The District is located approximately one mile from the Eagle County Regional Airport, four miles from Interstate 70 and approximately 40 miles west of Vail, Colorado. The District’s 2024 assessed valuation is \$21,244,620 and its 2024 statutory “actual” value is \$289,943,710.

In May 2000 the District was created in conjunction with Buckhorn Valley Metropolitan District No. 1, which boundaries comprise a single lot (“District No. 1” and, together with the District, the “Districts”) to provide improvements within and without the boundaries of the Districts, and as part of a common plan to serve the needs of the Buckhorn Valley master planned residential development (the “Buckhorn Valley Community”). As of July 1, 2025, approximately 464 of the 838 currently planned total of residential units have been completed within the District. See “THE DISTRICT” and the preceding “EAGLE COUNTY MAP,” and “DISTRICT MAP.” At full buildout of the District, District No. 1 is expected to be dissolved or consolidated into the District. See “THE DISTRICT—District Agreements.”

* Preliminary; subject to change.

The Districts were organized in calendar year 2000 pursuant to a consolidated service plan approved by the Town Council of Gypsum, as amended and restated by the 2009 Consolidated Service Plan for Buckhorn Valley Metropolitan District Nos. 1 and 2, dated July 14, 2009 (the “Service Plan”) to provide street, drainage, traffic and safety control, transportation, water, sanitary sewage, television relay and translator, mosquito and pest control and park and recreation improvements and facilities within and without the Districts. Other than the non-potable irrigation system referenced in the following paragraph, all of the public improvements financed by the District have been dedicated to the Town of Gypsum or other governmental entities as set forth in the Service Plan. See “THE DISTRICT—Facilities and Services Provided by the Districts.”

Following the recent settled litigation between the District and District No. 1 related to, among other things, the operation, control and ownership of a non-potable water system for public irrigation servicing all property owners within the District and associated water rights (the “Irrigation System”), the Districts and BV Firewheel, LLC, as a third-party beneficiary, entered into the Second Amended and Restated District Facilities and Construction and Service Agreement, dated as of May 13, 2025 (the “2025 Restated Service Agreement”) pursuant to which the operation, control and ownership of the Irrigation System, and certain revenues related thereto, are to be transferred to the District. See “THE DISTRICT—District Agreements” for a description of the 2025 Restated Service Agreement and other agreements related to the recently settled litigation.

Authority for Issuance The Bonds are issued in full conformity with the constitution and laws of the State, including: Article 56 of Title 11, Colorado Revised Statutes (“C.R.S.”); Article 1 of Title 32, C.R.S. (the “Special District Act”); Part 2 of Article 57 of Title 11, C.R.S.; and pursuant to the authorizing resolution (the “Bond Resolution”) adopted by the District’s Board of Directors (the “Board”).

Sources of Payment..... The Bonds are limited tax general obligations of the District, secured by and payable from the Pledged Revenue. The Pledged Revenue consists of the revenue derived by the District (including any interest income thereon) from the following sources, after deduction of any Direct Costs of Collection: (a) the Limited Mill Levy; and (b) any other legally available moneys deposited into the Bond Account. The Bonds are also secured by a Reserve Account.

The District has covenanted to levy an ad valorem mill levy upon all taxable property of the District in an amount sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable, but not in excess of the “Limited Mill Levy.” For tax collection year 2025, the maximum Limited Mill Levy, as adjusted by the Board, was 60.902 mills. See “THE BONDS—Security for the Bonds,” and “Selected Definitions” set forth in Appendix B hereto for definitions and descriptions of the Limited Mill

Levy and other capitalized terms used above. Also see “DISTRICT FINANCIAL INFORMATION.”

THE BONDS ARE SOLELY THE OBLIGATIONS OF THE DISTRICT. UNDER NO CIRCUMSTANCES SHALL ANY OF THE BONDS BE CONSIDERED OR HELD TO BE AN INDEBTEDNESS, OBLIGATION OR LIABILITY OF THE TOWN OF GYPSUM, EAGLE COUNTY, THE STATE OF COLORADO, DISTRICT NO. 1 OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE DISTRICT.

Purpose.....	Proceeds from the sale of the Bonds will be used for the purposes of: (a) refunding all of the District’s currently outstanding debt including the General Obligation Limited Tax Bonds, Series 2003 (the “Series 2003 Bonds”), Subordinate General Obligation Limited Tax Bonds, Series 2008 (the “Series 2008 Subordinate Bonds”), and General Obligation Limited Tax Refunding and Improvement Bonds, Series 2010 (the “Series 2010 Bonds”); (b) funding the Reserve Account; and (c) paying the costs of issuance of the Bonds. See “THE BONDS—Application of Bond Proceeds— <i>Refunding Plan</i> .”
Bond Insurance	Assured Guaranty (“AG” or the “Bond Insurer”) has committed to issue, effective as of the date of issuance of the Bonds, a policy of insurance (the “Insurance Policy” or “Policy”) guaranteeing the payment, when due, of the principal of and interest on the Bonds. The insurance extends over the life of the issue and cannot be canceled by the Bond Insurer. Payment under the Policy is subject to the conditions described in “BOND INSURANCE.” A specimen of the Municipal Bond Insurance Policy is attached as Appendix G to this Official Statement. See “BOND INSURANCE.”
Payment Provisions.....	The Bonds mature and bear interest (computed on the basis of a 360-day year of twelve 30-day months) at the rates set forth on the cover page hereof. Interest on the Bonds is payable semiannually on June 1 and December 1 of each year (the “Interest Payment Date”), commencing on December 1, 2025. Payment of the principal of and interest on the Bonds will be made as described in “APPENDIX E—BOOK-ENTRY-ONLY SYSTEM.”
Record Date.....	The record date, with respect to each Interest Payment Date, means the 15th day of the preceding month (whether or not such day is a Business Day) in which such Interest Payment Date occurs.
Book-Entry-Only Registration	The Bonds will be issued in fully registered form and will be registered initially in the name of “Cede & Co.” as nominee for The Depository Trust Company, New York, New York (“DTC”), a securities depository. Beneficial ownership interests in the Bonds may be acquired in denominations of \$5,000 in principal amount or integral multiples thereof through brokers and dealers who are, or who act through, participants in the DTC system (the “Participants”). Such

beneficial ownership interests will be recorded on the records of the Participants. Persons for whom Participants acquire interests in the Bonds (the “Beneficial Owners”) will not receive certificates evidencing their interests in the Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. So long as DTC or its nominee is the registered owner of the Bonds, payments of principal and interest on the Bonds, as well as notices and other communications made by or on behalf of the District pursuant to the Bond Resolution will be made to DTC or its nominee only. Disbursement of such payments, notices, and other communications by DTC to Participants, and by Participants to the Beneficial Owners, is the responsibility of DTC and the Participants pursuant to rules and procedures established by such entities. See “APPENDIX E—BOOK-ENTRY-ONLY SYSTEM” for a discussion of the operating procedures of the DTC system with respect to payments, registration, transfers, notices, and other matters. Except as otherwise provided herein, the term “Owner” shall refer to the registered owner of any Bond, as shown by the registration books maintained by the Bond Registrar.

Exchange and Transfer	While the Bonds remain in book-entry-only form, transfer of ownership by Beneficial Owners (as defined by the rules of DTC) may be made as described under the caption “APPENDIX E—BOOK-ENTRY-ONLY SYSTEM.”
Prior Redemption.....	The Bonds are subject to optional, extraordinary and mandatory sinking fund redemption by the District as set forth in “THE BONDS—Prior Redemption.”
Registration and Denominations.....	The Bonds are being issued in fully registered form in denominations of \$5,000 or any integral multiple thereof.
Tax Status	In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations, and continuing compliance with certain covenants, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. For a more detailed description of such opinions of Bond Counsel, see “TAX MATTERS” herein.
Financial Statements.....	Appended hereto are the audited financial statements of the District as of and for the year ended December 31, 2024, being the most recent

audited financial statements available for the District. Such report has been appended without prior review or consent of the auditor.

Offering and Delivery

Information.....

The Bonds are offered when, as, and if issued by the District and accepted by Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), subject to prior sale, and subject to the delivery of an approving opinion of Bond Counsel regarding the tax-exempt status of the Bonds and the satisfaction of certain other conditions. It is expected that the Bonds will be available for delivery through the facilities of DTC on August __, 2025.

Additional Information.....

ALL OF THE SUMMARIES OF THE STATUTES, RESOLUTIONS, OPINIONS, CONTRACTS, AND AGREEMENTS DESCRIBED IN THIS OFFICIAL STATEMENT ARE SUBJECT TO THE ACTUAL PROVISIONS OF SUCH DOCUMENTS. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from: Buckhorn Valley Metropolitan District No. 2, c/o Rufien Law, 300 East Mexico Avenue, Suite 300, Denver, Colorado, 80210 Telephone: (720) 506-9230; or Stifel, Nicolaus & Company, Incorporated 1401 Lawrence Street, Suite 900, Denver, Colorado 80202, Telephone (303) 296-2300.

Debt Ratios

The following are selected District debt ratios upon issuance and delivery of the Bonds.

District 2024 Assessed Valuation ¹	\$21,244,620
District 2024 Statutory “Actual” Valuation ¹	\$289,943,710
General Obligation Debt Outstanding Upon Issuance of the Bonds ^{1, *}	\$15,025,000
Estimated Population ²	1,599
District Debt as a Ratio of:	
2024 Assessed Valuation ^{1, *}	70.75%
2024 Statutory “Actual” Valuation ^{1, *}	5.18%
District Debt Per Capita *	\$9,396
Estimated Overlapping General Obligation Debt ¹	\$1,229,445
Sum of District and Overlapping Debt *	\$16,254,445
District and Overlapping Debt as a Ratio of:	
2024 Assessed Valuation ^{1, *}	76.51%
2024 Statutory “Actual” Valuation ^{1, *}	5.61%
District and Overlapping Debt Per Capita *	\$10,165

* Preliminary; subject to change.

¹ For definitions of and descriptions of the methodology used in computing assessed valuation, statutory “actual” value, estimated population, general obligation debt outstanding, and estimated overlapping general obligation debt, see “THE BONDS—Security for the Bonds,” “DISTRICT FINANCIAL INFORMATION,” and “DEBT STRUCTURE.” See “DEBT STRUCTURE—General Obligation Debt—*General Obligation Debt Ratios*” for information on historical debt ratios.

² Estimated based on an assumed population of approximately 3.5 persons for each single-family home completed within the District (457 completed units as of December 31, 2024).

Sources: Eagle County Assessor’s Office, the District and individual overlapping taxing entities

FORWARD-LOOKING STATEMENTS

This Official Statement, and particularly the information contained under the headings entitled “INTRODUCTION,” “RISK FACTORS,” “THE DISTRICT” and “DEVELOPMENT WITHIN THE DISTRICT,” contain statements relating to future results that are “forward looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect,” “projected” and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any projection is subject to such uncertainties. Inevitably, some assumptions used to predict the expected development will not be realized and unanticipated events and circumstances will occur. Therefore, it can be expected that there will be differences between the expected development and actual results, and those differences may be material. For a discussion of certain of such risks and possible variations in results, see “RISK FACTORS.”

RISK FACTORS

Each prospective purchaser of the Bonds should consider carefully, along with other matters referred to herein, the following risks of investment. The ability of the District to meet the debt service requirements of the Bonds is subject to various risks and uncertainties which are discussed throughout this Official Statement. Certain of such investment considerations are set forth below. This section of this Official Statement does not purport to summarize all of the risks. Investors should read this Official Statement in its entirety. The Bonds are not suitable investments for all investors. Each prospective purchaser is responsible for assessing the merits and risks of an investment in the Bonds and must be able to bear the economic risk of such investment.

Bonds Payable Solely from the Pledged Revenue

The Bonds are not secured by a pledge of an unlimited District mill levy; rather, the Bonds are limited obligations of the District payable from the Pledged Revenue, which is expected to consist primarily of ad valorem property taxes which may be levied against taxable property within the District up to the Limited Mill Levy (defined generally as 60.902 mills, subject to certain adjustments), as described in “SECURITY FOR THE BONDS.” Pledged Revenue also includes any other legally available moneys deposited into the Bond Account.

Based upon the District’s current assessed valuation for budget/fiscal year 2025 of \$21,244,620 and the estimated annual debt service on the Bonds, a levy of approximately 48 mills is estimated to be necessary for the payment of debt service on the Bonds when due. However, if the Limited Mill Levy, together with other Pledged Revenue, fails to generate sufficient Pledged Revenue to pay debt service on the Bonds when due, then the unpaid principal will continue to bear interest, and the unpaid interest will compound. During this period of accrual, the District will not be in default on the payment of such principal and interest, and the Owners will have no recourse against the District to require such payments (other than to require the District to continue to assess the Limited Mill Levy and collect the Pledged Revenue). In addition, the District will not be liable to Owners for unpaid principal and interest beyond the amount permitted by law, and all Bonds will be deemed defeased and no longer outstanding upon the payment by the District of such amount.

Risks of Reductions in Assessed Value

The assessed value of property in the District for ad valorem property tax purposes is determined according to a procedure described in “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes.” Assessed valuations may be affected by a number of factors beyond the control of the District,

including valuation challenges by property owners. Should the assessed valuation of the District decline, the security for the Bonds would be diminished. See “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Tax Data.”

Dependence Upon Timely Payment of Property Taxes

Delinquency in the payment of property taxes by District property owners may impair the District’s ability to satisfy its debt service requirements on the Bonds in a timely manner. Property taxes do not constitute personal obligations of a property owner. While the current year’s taxes constitute a lien upon assessed property and the County Treasurer, defined herein, are required by statute to offer for sale a landowner’s property to satisfy the District’s tax lien for the year in which the taxes are in default, this remedy can be time-consuming. Furthermore, any such tax sale would be only for the amount of taxes due and unpaid for the particular tax year in question. See the table “Property Tax Collections” in “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Tax Data.”

Additional Development Within the District

While approximately 464 of the 838 currently planned total of residential units have been completed within the District as of July 1, 2025, neither the District nor the Underwriter makes any representation regarding the development plans regarding the remaining undeveloped property within the District or the likelihood, timing or magnitude of additional development in the District. Additional development of property in the District will compete with other developments in the region and additional competing developments may arise in the future. The impact of this competition on future development within the District cannot be assessed at the present time because future demand cannot be predicted with accuracy and the factors influencing the success of each development are speculative. See “DEVELOPMENT WITHIN THE DISTRICT.”

Potential Additional District Debt

The issuance of additional bonds is restricted by: (a) State statutes which restrict the amount of debt issuable by special districts; (b) future elections held within the District; (c) the District’s Service Plan debt limitations; and (d) the terms of the Bond Resolution pursuant to which the Bonds are issued. See “THE BONDS—Bond Resolution Provisions—*Additional Bonds*.” If such conditions are met and the District does issue any additional general obligation indebtedness while the Bonds are outstanding, such additional debt could have a parity claim to all or a portion of the Pledged Revenue from which the Bonds will be payable. While the District currently does not plan on the issuance of additional bonds in the foreseeable future, the issuance of additional bonds could therefore adversely affect or dilute the security for the Bonds.

Legal Constraints on District Operations

The District is formed pursuant to statute and exercises only limited powers. Various State laws and constitutional provisions govern the assessment and collection of general ad valorem property taxes, limit revenues and spending of the State and local governments and limit rates, fees and charges imposed by such entities, including the District. There can be no assurance that the application of such provisions, or the adoption of new provisions, will not have a material adverse effect on the affairs of the District. See “LEGAL MATTERS—Sovereign Immunity.”

Climate Change

As greenhouse gas emissions continue to accumulate in the atmosphere, climate change is anticipated to intensify, thereby increasing the frequency, severity, and timing of extreme weather events and natural disasters, such as drought, wildfires, floods, and heatwaves. The impacts of climate change, including changes caused by human activities, may have material adverse effects within the District. The future fiscal or operational impact of climate change on the District and the development of properties therein is difficult to predict, but there is the potential for significant damages that could also strain the availability or receipt of the Pledged Revenue.

Wildfires and Natural Disasters

The State has experienced numerous significant wildfires. According to the Colorado Department of Public Safety, the State's 20 largest wildfires (measured by acreage burned) all occurred during the last 20 years, with the three largest wildfires in State history occurring in 2020. According to the National Interagency Coordination Center, more than 625,000 acres throughout the State were burned by wildfires in 2020, and more than 60,000 acres were burned in 2024. The destruction caused by wildfire can be substantial. In 2013, the Black Forest Fire in El Paso County, Colorado burned 14,000 acres and destroyed nearly 500 homes. In 2021, the Marshall Fire in Superior, Colorado burned approximately 6,000 acres and destroyed more than 1,000 homes and businesses, making it the most destructive fire in State history.

As of June 26, 2025, the Colorado State Forest Service's Wildfire Risk Public Viewer website indicates the District is located in an area of low- to moderate-intensity fire danger. Notwithstanding the foregoing, there can be no assurances that a wild or other fire will not occur, nor can the District make any representations about the potential impact any future fire would have on the property and future development within the District. Among other considerations, the occurrence of wildfires in or adjacent to the District could have an adverse effect on marketability of property within the District, as well as the availability of property insurance. In the event a fire or other natural or man-made disaster were to destroy all or any portion of the District, the availability of Pledged Revenue could be materially adversely impacted. Furthermore, there can be no assurance that: (i) a casualty loss would be covered by any insurance of property, (ii) that any insurance company would fulfill its obligation to provide insurance proceeds, (iii) that any insurance proceeds would be sufficient to rebuild or replace any damaged property, or (iv) that property owners would rebuild damaged or destroyed properties and, if they did, the timeframe in which the owners would do so.

Limitations on Remedies Available to Owners of Bonds

No Acceleration. There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal of or interest on the Bonds. Consequently, remedies available to the owners of the Bonds may have to be enforced from year to year.

Bankruptcy and Police Power. The enforceability of the rights and remedies of the owners of the Bonds and the obligations incurred by the District in issuing the Bonds are subject to the federal bankruptcy code (except as may be limited in the following paragraph), and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and

interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

Notwithstanding the preceding general discussion of bankruptcy and other laws, the Special District Act provides that Colorado special districts may not seek protection under the federal bankruptcy code unless the special district is unable to discharge its obligations as they become due by means of a mill levy of not less than 100 mills. Because the Bond Resolution only requires that the District levy the Limited Mill Levy, it may not be possible under State law for the District to file for bankruptcy. In such an event, no bankruptcy trustee would be available to represent the creditors of the District, including the Owners of the Bonds.

Changes in Law

Various State laws, constitutional provisions and federal laws and regulations apply to the obligations created by the issuance of the Bonds and various agreements described herein. There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions which would have a material effect, directly or indirectly, on the affairs of the District.

Secondary Market

While the Underwriter expects, insofar as possible, to maintain a secondary market in the Bonds, no assurance can be given concerning the future existence of such a secondary market or its maintenance by the Underwriter or others, and prospective purchasers of the Bonds should therefore be prepared, if necessary, to hold their Bonds to maturity or prior redemption, if any.

Risks Related to Bond Insurance Policy and Reserve Policy

In the event of default of the payment of the scheduled principal of or interest on the Bonds when the same become due, the Owners of the Bonds, would have a claim under the Insurance Policy for such defaulted payments. The Insurance Policy does not insure against redemption premium, if any.

In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Insurance Policy or surety bond, the Bonds are payable solely from the funds on deposit in the Bond Account as provided in the Resolution. In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds under either the Insurance Policy or the Reserve Policy, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term rating on the Bonds is dependent in part on the financial strength of the Bond Insurer and its ability to pay claims. The Bond Insurer's financial strength and ability to pay claims is reliant upon a number of factors which could change over time, including, without limitation, underwriting standards, claims experience, and conditions affecting the economy generally. No assurance is given that the long-term ratings of the Bond Insurer or the underlying rating on the Bonds will not be subject to downgrade or CreditWatch negative designations and such events could adversely affect the market price or liquidity of the Bonds. See "—Ratings" herein.

The obligations of the Bond Insurer are unsecured contractual obligations and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the District nor the Underwriter has made an independent investigation into the Bond Insurer's financial strength or ability to pay claims, and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Prospective investors in the Bonds should conduct their own investigation of such matters.

THE BONDS

Description

The total principal amount, dated date, maturity date, and interest rates of the Bonds are set forth on the cover page hereof. Certain matters relating to the Bonds are described in detail in "INTRODUCTION" and are not restated under this caption. These include provisions regarding registration and denominations of the Bonds; exchange and transfer of the Bonds; payment of the principal of and interest on the Bonds; a description of the authority for issuance of the Bonds; and information regarding delivery of the Bonds. See the caption "INTRODUCTION" for a description of the matters referred to in the previous sentence, as well as other information relating to the Bonds.

Prior Redemption

Optional Redemption. The Bonds maturing on and before December 1, 2035* are not subject to optional redemption prior to their respective maturities.

With the exception of the Bonds maturing on December 1, 2055,* which are subject to optional redemption on an earlier date as described hereafter, the Bonds maturing on and after December 1, 2037* are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, and if less than an entire maturity is to be redeemed, then by lot within such maturity, on December 1, 2035,* and on any date thereafter, upon payment of par and interest accrued to the date of redemption, without redemption premium.

The Bonds maturing on December 1, 2055* are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, and if less than the entire maturity is to be redeemed then by lot within such maturity, on December 1, 2029,* and on any date thereafter, upon payment of par and interest accrued to the date of redemption, without redemption premium.

Mandatory Sinking Fund Redemption. The Bonds also are subject to mandatory sinking fund redemption, in part, by lot, commencing on December 1, 20__, and on each December 1 thereafter prior to the maturity date of such Bonds, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below:

Year of Redemption (December 1)	Redemption Amount
20__	\$
20__	
20__	
20__	
20__ ¹	

¹ Final maturity, not a sinking fund redemption.

* Preliminary; subject to change.

The Bonds also are subject to mandatory sinking fund redemption, in part, by lot, commencing on December 1, 20__, and on each December 1 thereafter prior to the maturity date of such Bonds, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below:

Year of Redemption (December 1)	Redemption Amount
20__	\$
20__	
20__	
20__	
20__ ¹	

¹ Final maturity, not a sinking fund redemption.

The Bonds also are subject to mandatory sinking fund redemption, in part, by lot, commencing on December 1, 20__, and on each December 1 thereafter prior to the maturity date of such Bonds, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below:

Year of Redemption (December 1)	Redemption Amount
20__	\$
20__	
20__	
20__	
20__ ¹	

¹ Final maturity, not a sinking fund redemption.

The Bonds also are subject to mandatory sinking fund redemption, in part, by lot, commencing on December 1, 20__, and on each December 1 thereafter prior to the maturity date of such Bonds, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below:

Year of Redemption (December 1)	Redemption Amount
20__	\$
20__	
20__	
20__	
20__ ¹	

¹ Final maturity, not a sinking fund redemption.

The Bonds also are subject to mandatory sinking fund redemption, in part, by lot, commencing on December 1, 20__, and on each December 1 thereafter prior to the maturity date of such Bonds, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below:

Year of Redemption (December 1)	Redemption Amount
20__	\$
20__	
20__	
20__	
20__ ¹	

¹ Final maturity, not a sinking fund redemption.

Notice of prior redemption shall be given by mailing a copy of the redemption notice, not less than 45 days prior to the date fixed for redemption, to the registered owner of this Bond at the address shown on the registration books maintained by the Bond Registrar, in the manner set forth in the Bond Resolution. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the notice. All Bonds called for redemption will cease to bear interest after the specified Redemption Date, provided funds for their redemption are on deposit at the place of payment at that time.

The District and Bond Registrar shall not be required to issue or transfer any Bonds: (a) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first business day following the ensuing Interest Payment Date; or (b) during the period beginning at the opening of business on a date 45 days prior to the date of any redemption of Bonds and ending at the opening of business on the first business day following the day on which the applicable notice of redemption is mailed. The Bond Registrar shall not be required to transfer any Bonds selected or called for redemption, in whole or in part.

General Redemption Provisions. The Bonds will be redeemed only in integral multiples of \$5,000. In the event a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in the principal amount of \$5,000 or any integral multiple thereof. Such Bond will be treated for the purposes of redemption as that number of Bonds which results from dividing the principal amount of such Bond by \$5,000. In the event a portion of this Bond is redeemed, the Bond Registrar shall, without charge to the registered owner of this Bond, authenticate and deliver a replacement Bond or Bonds for the unredeemed portion.

Notice and Effect of Redemption. Notice of any redemption of Bonds shall be given by the Paying Agent in the name of the District by sending a copy of such notice by electronic means to DTC or its successors, or by first class, postage prepaid mail, not less than thirty days prior to the redemption date, to the Owner of each Bond being redeemed. If any Bond shall have been duly called for redemption and if, on or before the redemption date, there shall have been deposited with the Paying Agent in accordance with the Bond Resolution funds sufficient to pay the redemption price of such Bond on the redemption date, then such Bond shall become due and payable at such redemption date, and from and after such date interest will cease to accrue thereon. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the notice.

Application of Bond Proceeds

Refunding Plan. A portion of the proceeds from the sale of the Bonds will be immediately applied to the redemption, payment and cancellation of the following bonds, collectively referred to as the “Refunded Bonds,” which comprise all of the outstanding debt of the District:

(A) General Obligation Limited Tax Bonds, Series 2003, dated March 4, 2003, issued in the original principal amount of \$2,500,000 bearing compounding interest at a rate of 7.00% per annum (of which Series 2003 Bonds there remains outstanding \$2,055,000 in principal amount and accrued and unpaid interest); and

(B) Subordinate General Obligation Limited Tax Bonds, Series 2008, dated February 13, 2008, issued in the original principal amount of \$8,500,000 bearing simple interest at a rate of 6.00% per annum (of which bonds there remains outstanding \$5,488,836 in principal amount and \$4,690,106 in accrued and unpaid interest as of July 31, 2025), which Series 2008 Subordinate Bonds, following recently settled litigation with respect to the amounts due in connection with said obligation, are to be fully satisfied and discharged through the surrender of the Series 2008 Subordinate Bonds and the final payment to the holder thereof in the amount of \$1,000,000 on or about the date of delivery of the Bonds (see “THE DISTRICT—District Agreements—2008 Subordinate Bonds Full Settlement and Release”); and

(C) General Obligation Limited Tax Refunding and Improvement Bonds, Series 2010, dated May 10, 2010, issued in the original principal amount of \$7,370,000 bearing compounding interest at rates ranging from 7.25% to 8.00% per annum (of which Series 2010 Bonds there remains outstanding \$7,370,000 in principal amount and accrued and unpaid interest as of July 31, 2025).

A portion of the Bond proceeds will also be applied to the reimbursement of, or current amounts due in connection with, certain costs and legal fees paid or due in connection with certain recently settled litigation regarding the Districts and related persons serving as board members of the respective Districts, which settlements were necessary to proceed with the above-described refunding plan. See also “THE DISTRICT—District Agreements.”

Sources and Uses of Funds. The sources and uses of the proceeds of the Bonds are as follows:

SOURCES:

Par amount of the Bonds	
[Net] Original Issue Premium	
Total	

USES:

Refunded Bonds Payment Costs	
Costs of Issuance, including underwriting discount, ¹ rating agency fees, premiums in connection with the issuance of the Insurance Policy and the surety bond to fund the Reserve Account, professional fees, contingency, and printing costs.	
Total	

¹ See “MISCELLANEOUS—Underwriting.”

Source: The Underwriter

Security for the Bonds

Pledged Revenue. The Bonds constitute limited tax obligations of the District as provided in the Bond Resolution. All of the Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable solely from and to the extent of the Pledged Revenue, and the Pledged Revenue is hereby pledged to the payment of the Bonds. The Bonds shall constitute an irrevocable first lien upon the Pledged Revenue, but not necessarily an exclusive such lien.

The Pledged Revenue consists of the revenue derived by the District (including any interest income thereon) from the following sources, after deduction of any Direct Costs of Collection: (a) the Limited Mill Levy; and (b) any other legally available moneys deposited into the Bond Account. The “Direct Costs of Collection” are defined in the Bond Resolution as the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

THE BONDS ARE SOLELY THE OBLIGATIONS OF THE DISTRICT. UNDER NO CIRCUMSTANCES SHALL ANY OF THE BONDS BE CONSIDERED OR HELD TO BE AN INDEBTEDNESS, OBLIGATION OR LIABILITY OF THE TOWN OF GYPSUM, EAGLE COUNTY, THE STATE OF COLORADO, DISTRICT NO. 1 OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE DISTRICT.

Limited Mill Levy. For the purpose of paying the principal of and interest on the Bonds when due, respectively, the Board has covenanted to annually determine and certify to the Board of County Commissioners of the County a rate of levy for general ad valorem taxes on all of the taxable property in the District, at a rate not to exceed the Limited Mill Levy and in an amount sufficient to pay the principal of and interest on the Bonds when due, respectively, whether at maturity or upon earlier redemption and any amounts due to the Bond Insurer as a result of draws, if any, on the Reserve Policy. The “Limited Mill Levy” is defined in the Bond Resolution a rate of ad valorem property tax levy expressed in mills (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of, premium, if any, and interest on the Series 2025 Bonds and any Parity Obligations as the same become due and payable, but not in excess of 40 mills; provided however, that in the event the method of calculating assessed valuation is or was changed after January 11, 2000, the maximum and minimum mill levy provided in the Bond Resolution shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues realized from the mill levy, as adjusted, are neither diminished nor enhanced from those which would have been realized without such changes in calculation method. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation. For tax collection year 2025, the maximum Limited Mill Levy, as adjusted by the Board as provided in the preceding sentences, was 60.902 mills.

Bond Resolution Provisions

The following is a description of certain provisions of the Bond Resolution and is subject in all respects to the more specific provisions of the Bond Resolution. See “APPENDIX B—SELECTED DEFINITIONS” for definitions of certain capitalized terms used below and elsewhere in this Official Statement.

Bond Account. Pursuant to the Bond Resolution there is established a special account designated as the “Series 2025 Bond Account,” into which there is to be deposited an amount of Pledged Revenue which, when combined with other legally available moneys in the Bond Account, will be sufficient to pay the principal of, premium, if any, and interest on the Bonds when due. Moneys in the Bond Account are to

be used by the District solely to pay the principal of, premium, if any, and interest on the Bonds, in the following order: FIRST, to the payment of interest due in connection with the Bonds (including without limitation current interest, accrued but unpaid interest, and interest due as a result of compounding, if any); and SECOND, to payment of the principal of and premium, if any, on the Bonds, whether due at maturity or upon prior redemption.

In the event that available moneys in the Bond Account are insufficient for the payment of the principal of, premium, if any, and interest due on the Bonds on any due date, the District shall on the due date pay such amounts as are available, proportionally in accordance with the amount of interest, principal, and premium, if any, due on each Bond. Any partial payments of principal shall be in the amount of \$5,000 or integral multiples thereof, and the Bonds or portions thereof to be redeemed pursuant to such partial payment shall be selected by lot.

Reserve Account. Pursuant to the Bond Resolution there is established a special account designated as the "Series 2025 Reserve Account." Moneys in the Reserve Account shall be used, if necessary, solely for the purpose of paying the principal of or interest on the Bonds when due. In the event that three days prior any Principal Payment Date or Interest Payment Date there are insufficient moneys on deposit in the Bond Account to make such payment on the Bonds when due, the District shall immediately deposit or cause to be deposited with the Paying Agent moneys from the Reserve Account in an amount sufficient to pay such principal and interest when due. The funding of the Reserve Account in the amount of the Required Reserve will be fulfilled through the issuance of the Reserve Policy from the Bond Insurer.

The Reserve Account will be maintained in the amount of \$1,022,000 * (the "Reserve Requirement") and, to the extent of any draws on surety bond, amounts then payable to the Bond Insurer because of such draws will be paid from available Pledged Revenue following the required allocation of such funds for the payment of debt service on the Bonds. Pursuant to the Bond Resolution the District has covenanted to repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Bond Insurer and shall pay interest thereon from the date of payment by the Bond Insurer at the Late Payment Rate. "Late Payment Rate" is defined as the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then-applicable highest rate of interest on the Bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, "Policy Costs") are to commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw. The District's obligation to pay Policy Costs will be secured by a lien on all revenues and other collateral pledged as security for the Bonds (subject only to the priority of payment provisions set forth under the Bond Resolution).

Additional Covenants of the District. For so long as any Bond is Outstanding, the District covenants in the Bond Resolution as follows:

(a) The District will continue to operate and manage the District in an efficient and economical manner in accordance with all applicable laws, rules and regulations, and keep and maintain separate accounts of the receipts and expenses thereof in such manner that the Pledged Revenue may at all times be readily and accurately determined.

* Preliminary; subject to change.

(b) At least once a year in the time and manner provided by law, the District will cause an audit to be performed of the records relating to District revenues and expenditures. In addition, at least once a year in the time and manner provided by law, the District will cause a budget to be prepared and adopted. Copies of the budget and the audit shall be filed and recorded in the places, time and manner provided by law.

(c) The District will carry fire, workers' compensation, and extended coverage, to the extent required by law, public liability, and such other forms of insurance on insurable District property as would ordinarily be carried by entities having similar properties of equal value.

(d) Each District official or other person having custody of any Pledged Revenue, or responsible for the handling of such funds, shall be fully bonded or insured against theft or defalcation at all times, in the amount required by law, which bond or insurance shall be conditioned upon the proper application of said funds.

(e) In the event the Pledged Revenue is insufficient or is anticipated to be insufficient to pay the principal of, premium, if any, and interest on the Bonds when due, the District shall use its best efforts to refinance, refund, or otherwise restructure the Bonds so as to avoid such an event.

Additional Bonds. The Bond Resolution does not permit the District to incur any additional debt or other financial obligation having a lien upon the Pledged Revenue superior to the lien thereof of the Bonds.

The Bond Resolution defines "Parity Obligations" as bonds, notes, debentures, or other multiple fiscal year financial obligations (a) having a lien upon the Pledged Revenue or any part thereof on a parity with the lien thereon of the Bonds; or (b) for the payment of which the District has promised or is obligated to impose an ad valorem property tax other than, or in addition to, the Limited Mill Levy, unless such obligation is specifically made subordinate to the Bonds. The District may issue Parity Obligations if: (i) prior voter approval has been received by the District to incur the Parity Obligations; (ii) no Event of Default shall have occurred and be continuing and the District is then and as of the date of issuance of the Parity Obligations will be, in substantial compliance with all of the covenants of the Bond Resolution; (iii) either one of the following conditions is met: (A) the limit for the maximum mill levy rate securing repayment of the Bonds is eliminated and the applicable subsection of the Bond Resolution is duly amended and enforceable in accordance with its terms to provide that the Board shall annually determine and certify to the Board of County Commissioners of the County a rate of levy for general ad valorem taxes on all of the taxable property in the District, without limitation as to rate and in an amount sufficient to pay the principal of and interest on the Bonds when due, respectively, whether at maturity or upon earlier redemption; or (B) the Pledged Revenue, when calculated at the maximum Limited Mill Levy against the valuation for assessment of taxable property within the District as it existed on the December 10th prior to the date of issuance of the proposed Parity Obligations, provided not less than 1.25 times coverage for the maximum annual debt service for the Bonds, any outstanding Parity Obligations and the Parity Obligations proposed to be issued; provided further, in the event that the maximum Limited Mill Levy has been duly amended and enforceable in the generation of Pledge Revenue, the amended and enforceable maximum Limited Mill Levy may be used for purposes of the calculation in this coverage requirement; (iv) any Parity Obligations shall be payable as to interest on each June 1 and December 1, and shall mature serially or be subject to mandatory sinking fund redemption on each December 1; and (v) a written certificate by the President or Treasurer of the District that the conditions set forth in the above paragraphs (i) through (iv) inclusive are met shall conclusively determine the right of the District to authorize, issue, sell and deliver Parity Obligations in accordance with the Bond Resolution.

The Bond Resolution does not prevent the District from issuing any additional debt or other financial obligation having a lien upon the Pledged Revenue subordinate to the lien thereof of the Bonds so long as: (i) no Event of Default shall have occurred and be continuing; (ii) the District is then and as of the date of issuance of the subordinate obligations will be, in substantial compliance with all of the covenants of the Bond Resolution.

Events of Default. The occurrence or existence of any one or more of the following events shall be an “Event of Default” under the Bond Resolution:

(a) the failure by the District to impose the Limited Mill Levy or to apply the proceeds of any Pledged Revenue as required by the terms of the Bond Resolution;

(b) the occurrence and continuation of an event of default in connection with any Parity Obligations, as officially declared pursuant to the terms of the authorizing resolution or other documentation providing for the issuance of said Parity Obligations;

(c) the breach by the District of any material covenant set forth in the Bond Resolution or failure by the District to perform any material duty imposed on it hereunder and continuation of such breach or failure for a period of thirty days after receipt by the President of the District of written notice thereof from the Owner, provided that such thirty day period shall be extended so long as the District has commenced and continues a good faith effort to remedy such breach or failure; or

(d) an order of decree by a court of competent jurisdiction declaring the District bankrupt under federal bankruptcy law or appointing a receiver of all or any material portion of the District’s assets or revenues is entered with the consent or acquiescence of the District or is entered without the consent or acquiescence of the District but is not vacated, discharged or stayed within thirty days after it is entered.

Remedies for an Event of Default. Upon the occurrence and continuance of any Event of Default, the Owners of not less than 25% of the aggregate principal amount of the Outstanding Bonds, including, without limitation, a trustee or trustees therefor may proceed against the District to protect and to enforce the rights of the any Owners under the Bond Resolution by mandamus, injunction or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction: (i) for the payment of interest on any installment of principal of any Bond that was not paid when due at the interest rate borne by such Bond; (ii) for the specific performance of any covenant contained therein; (iii) to enjoin any act that may be unlawful or in violation of any right of any Owner of any Bond; (iv) for any other proper legal or equitable remedy; or (v) any combination of such remedies or as otherwise may be authorized by applicable law; provided, however, that acceleration of any amount not yet due on the Bonds according to their terms shall not be an available remedy. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of Bonds then Outstanding.

To the extent that the Bond Resolution or related documents confer upon or give or grant to the Bond Insurer any right, remedy or claim, the Bond Insurer is recognized as being a third-party beneficiary to enforce any such right, remedy or claim conferred, given or granted thereunder. Upon the occurrence and continuance of an Event of Default, so long as it is not in default of its obligations under the Bond Insurance Policy, the Bond Insurer is entitled to control and direct the enforcement of all rights and remedies granted to the Owners under the Bond Resolution and pursuant to State law.

Debt Service Requirements

Set forth in the following table are the debt service requirements for the Bonds. See the cover page of this Official Statement for the actual interest rates for the Bonds.

TABLE I
Debt Service Requirements¹

Year *	The Bonds		Total
	Principal *	Interest	
2025	--		
2026	\$ 115,000		
2027	235,000		
2028	245,000		
2029	255,000		
2030	270,000		
2031	285,000		
2032	300,000		
2033	315,000		
2034	330,000		
2035	345,000		
2036	360,000		
2037	380,000		
2038	400,000		
2039	420,000		
2040	440,000		
2041	460,000		
2042	490,000		
2043	515,000		
2044	540,000		
2045	570,000		
2046	605,000		
2047	635,000		
2048	670,000		
2049	710,000		
2050	750,000		
2051	790,000		
2052	830,000		
2053	875,000		
2054	920,000		
2055	970,000		
Total	<u>\$15,025,000</u>		

* Preliminary; subject to change.

¹ Assumes no redemptions, other than mandatory sinking fund redemptions, prior to maturity. Figures have been rounded and thus may vary slightly from actual payment.

Source: The Underwriter

Debt Service Coverage for the Bonds based upon Historical Pledged Revenues. Set forth below is a debt service coverage table showing the coverage for the maximum annual debt service on the Bonds from historic Limited Mill Levy revenues for collection years 2021 through 2025, inclusive. Such table does not represent the coverage factor provided for the Refunded Bonds by the Pledged Revenues in the respective years and does not include property taxes levied by the District for the payment of general operating expenses or other legally available revenues which, in the sole discretion of the Board, may be deposited into the Bond Account.

TABLE II
Pro Forma Debt Service Coverage

	2021	2022	2023	2024	2025
Historic Limited Mill Levy ¹	54.488	54.489	56.057	58.149	60.902
Debt Service Tax Revenues ²	\$680,337	\$754,732	\$794,400	\$1,187,341	\$1,293,840
MADS for Series 2025 Bonds ^{3,*}	\$1,022,000	\$1,022,000	\$1,022,000	\$1,022,000	\$1,022,000
MADS Coverage Factor ^{4,*}	0.67x	0.74x	0.78x	1.16x	1.27x

* Preliminary; subject to change.

¹ Represents the Limited Mill Levy, as adjusted and as certified by the District for the respective property tax collection years.

² Represents the property tax revenues based on the historic Limited Mill Levy and the property tax revenues generated from such levy against the assessed valuation of the District for such period. See "DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Tax Data" for additional information regarding the District's historical mill levy, assessed valuation and property tax collections.

³ Estimated Maximum Annual Debt Service for the 2025 Bonds.

⁴ Coverage which would have been provided by the historical debt service tax revenues for the Maximum Annual Debt Service for the 2025 Bonds.

Source: The Underwriter

BOND INSURANCE

Set forth below is a brief summary of certain information concerning the Bond Insurer and the terms of the Insurance Policy. Information with respect to the Bond Insurer and the Insurance Policy has been supplied to the District by the Bond Insurer. The following discussion does not purport to be complete and is qualified in its entirety by reference to the Insurance Policy.

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Inc. ("AG") will issue its Municipal Bond Insurance Policy (the "Policy") for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL" and together with its subsidiaries, "Assured Guaranty"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG ("AGM"), merged with and into AG, with AG as the surviving company (such transaction, the "Merger"). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

Current Financial Strength Ratings

On June 30, 2025, S&P announced that it had affirmed AG's financial strength rating of "AA" (stable outlook).

On October 18, 2024, KBRA announced that it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 10, 2024, Moody's, following Assured Guaranty's announcement of the Merger, announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Capitalization of AG

At March 31, 2025:

- The policyholders' surplus of AG was approximately \$3,522 million.
- The contingency reserve of AG was approximately \$1,421 million.

- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately \$2,416 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (filed by AGL with the SEC on February 28, 2025); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 (filed by AGL with the SEC on May 9, 2025).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8 K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "BOND INSURANCE – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "BOND INSURANCE".

THE DISTRICT

Organization

The District and Buckhorn Valley Metropolitan District No. 2 are quasi-municipal corporations and political subdivisions of the State of Colorado created pursuant to the Special District Act for the purpose of financing and constructing public improvements and for dedicating, when appropriate, such public improvements to the Town of Gypsum, Colorado, or to such other entity as appropriate for the use and benefit of the District residents and property owners. The District and Buckhorn Valley Metropolitan District No. 1 were created by orders of the County District Court in May of 2000 after the approval by the proposed Districts' electors at elections held for that purpose. Following their organization, District No. 1 was responsible for managing the construction and operation of the public improvements and services needed to serve the Buckhorn Valley Community, and District No. 2 was responsible for providing the property tax base needed to support the public improvements and for operations.

Description of Districts

The Districts have the authority pursuant to the Service Plan to provide for the financing, construction, acquisition and installation of street, traffic and safety control, water, sanitary sewage, storm drainage, television relay and translator, transportation, mosquito control and park and recreation improvements and facilities, within and without the boundaries of the District. Historically District No. 1 has been responsible for managing the construction and operation of the public improvements and services needed to serve the Development and District No. 2 has been responsible for providing the property tax base needed to support the public improvements and the operations of the Districts. With the exception of the Irrigation System which is to continue to be owned and operated by the Districts, as well as certain open space and monumentation owned and maintained by the Districts, all anticipated public improvements have been transferred and conveyed, with any necessary easements or rights of way upon completion of their construction and installation and applicable warranty periods, and otherwise dedicate to the Town or other governmental entity, as set forth in the Service Plan. See “—District Agreements.”

The Districts were formed in 2000 and following the issuance of the Series 2003 Bonds by the District in March of 2003, which bonds included three years of capitalized interest, development within the District did not occur as then projected and the limited taxes pledged to the payment of the District's outstanding debt (which taxes were initially limited to 40 mills subject to adjustment for changes which occur in the method of calculating assessed valuation) failed to be sufficient to pay the scheduled principal of and interest on the outstanding bonds when due. See “THE BONDS—Application of Bond Proceeds—*Refunding Plan*” for a description of the Refunded Bonds and the plan of refunding. As indicated in said section, accrued but unpaid interest is compounding in connection with the Series 2003 Bonds and the Series 2010 Bonds, as well as simple interest which accrues in connection with the Series 2008 Subordinate Bonds, all of which are bearing interest at high rates of interest. As part of the plan of refunding for all of the District's debt, and in relation of the settled litigation described in “—District Agreements” hereafter, the District will pay and discharge the Series 2008 Subordinate Bonds for a materially reduced amount.

Inclusions and Exclusions

Subject to compliance with statutory procedures, the Board may order the inclusion or exclusion of real property to or from the District, as the case may be, thereby modifying the boundaries of the District; however, if any property is excluded from the boundaries of the District subsequent to the issuance of the Bonds, such excluded property would be obligated to the same extent as all other property within the District for the payment of the Bonds. The Districts together currently encompass 368.301 acres, with the District encompassing 368 acres and District No. 1 encompassing an additional 0.301 acres. There have been no material inclusions or exclusions from the District since the date it was formed.

District Powers

The rights, powers, privileges, authorities, functions and duties of the Districts are established by the laws of the State of Colorado, particularly the Special District Act, which provides that the Districts have the power: to have a perpetual existence, to have and use a corporate seal, to enter into contracts and agreements; to sue and be sued and to be a party to suits, actions and proceedings; to borrow money and incur indebtedness and to issue bonds; to acquire, dispose of and encumber real and personal property, and any interest therein; to have the management, control and supervision of all the business affairs of the Districts; to appoint, hire and retain agents, employees, engineers and attorneys; to fix and from time to time to increase or decrease fees, rates, tolls, penalties or charges for services, programs or facilities furnished by the Districts; to waive or amortize all or part of any such fees or extend the time period for paying all or part of such fees for property within the Districts; to furnish services and facilities without the boundaries of the Districts and to establish fees, rates, tolls, penalties or charges for such services and facilities; to accept real and personal property for use of the Districts and to accept gifts and conveyances made to the Districts; and to have and exercise all rights and powers necessary in, incidental to or implied from the specific powers granted to the Districts.

Subject to compliance with statutory procedures, the Boards may order the inclusion or exclusion of real property to or from the Districts, as the case may be, thereby modifying the boundaries of the Districts; however, such excluded property is obligated to the same extent as all other property within the Districts for the payment of the Bonds.

Governing Board

The District is governed by a five member Board, which currently consist of four members with one vacancy. The Board must be electors of the District as defined by State law and are elected to alternating four year terms of office at successive biennial elections. Vacancies on the Board are filled by appointment of the remaining Board members, the appointee to serve until the next regular election, at which time the vacancy is filled by election for any remaining unexpired portion of the term. Pursuant to State statute, with certain exceptions, no judicial elected official of any political subdivision of the State can serve more than two consecutive terms in office; however, such term limitation may be lengthened, shortened or eliminated pursuant to voter approval.

The Board holds regular meetings and special meetings as needed. Directors serving a term of office commencing on or after January 1, 2018 can receive a maximum compensation of \$2,400 per year, not to exceed \$100 per meeting attended. With the exception of this compensation, Board members may not receive compensation from the District as employees of the District. Currently, the District's Board receives no compensation for meeting attendance or for any other District purposes. Each Board member is entitled to one vote on all questions before the Board when a quorum is present. The present Board, their positions on the Board, principal occupations and years of service are as follows.

District Board of Directors

Name	Office	Occupation	Years of Service	Term Expires (May)
Nickolas R. Viau	President	Geographic Information Systems Specialist	4	2029
Peter Wehrenberg ¹	Secretary	Chemist	-- ¹	2029
David Fiore	Secretary	Attorney	4	2027
Angela Heuman	Director	Tax Accountant	3	2027
Vacant ²	Director	N/A	N/A	N/A

¹ Peter Karl Wehrenberg was appointed effective May 7, 2025.

² There is no formal plan in place to fill the vacancy on the board, however the District will consider any willing and interested resident of the District for the position.

Pursuant to State law, directors are required to disclose to the Colorado Secretary of State and the Board potential conflicts of interest or personal or private interests which are proposed or pending before the Board. Additionally, no contract for work or material including a contract for services, regardless of the amount, shall be entered into between the District and a Board member, or between the District and the owner of 25% or more of the territory within the District, unless a notice has been published for bids and such Board member or the owner submits the lowest responsible and responsive bid. Board members have represented that they have no conflicts of interest with respect to the issuance of the Bonds or the expenditure of proceeds therefrom.

Administration

The Board is responsible for the overall management and administration of the affairs of the District. The District currently has no employees, and all operations and administrative functions are performed by independent contractors hired by the District. The District retains Wolfersberger, LLC to provide accounting and management services for the District, Flynn CPA, LLC, Castle Pines, Colorado, as its auditor, and Paul Rufien, Esq., Denver, Colorado, as its General Counsel.

District Agreements

Districts Settlement Agreement. The Settlement Agreement entered into as of May 13, 2025 (the “Settlement Agreement”) between District No. 2 and District No. 1 provided for the mutual, irrevocable, and unconditional full release and discharge from any and all claims, demands, damages, liabilities, or obligations of any kind arising from or related to: (i) the intergovernmental agreement between the Districts (the “Prior IGA”) which preceded the 2025 Restated Districts IGA (described hereafter), (ii) various disputes among the Districts regarding payments from District No. 2 to District No. 1 and the use of said funds (the “Disputes”), (iii) the lawsuit filed by District No. 2 against, among other persons, District No. 1 in Eagle County District Court, Case No. 2022CV030208 (the “Lawsuit”), and (iv) appeals from various orders and a jury verdict in favor of District No. 2 on its claim of breach of the Prior IGA against District No. 1 and awarding damages in the amount of \$494,507.34 (the “Appeals”). The settlement terms required the execution of the 2025 Restated Districts IGA and that the parties pay their own costs and attorney fees incurred in connection with the Disputes, the Lawsuit, the Appeals and the Settlement Agreement.

Second Amended and Restated District Facilities Construction and Service Agreement. District No. 2 and District No. 1 entered into a Second Amended and Restated District Facilities Construction and Service Agreement, executed on May 21, 2025 (the “2025 Restated Districts IGA”) to effectuate the Settlement Agreement and set forth the terms and conditions by which the Districts will continue to operate and maintain facilities and improvements generally described in the Service Plan, which primarily relates to the Irrigation System. Among other things, the 2025 Restated Districts IGA provides that: (i) over a

transition period through December 31, 2027 (the “Transaction Period”), District No. 1 shall transfer the operation and maintenance of the Irrigation System to District No. 2 which transaction is to occur (A) in calendar year 2025 with District No. 2 transferring no less than \$75,000 into an enterprise fund to be established for anticipated repairs needed in 2025 for the Irrigation System, providing for adoption of certain fees increases and new fees discussed hereafter, and for completion of a comprehensive study to review conservation methods and practices for the water supply to ensure full build-out of the Buckhorn Valley Community, (B) in calendar year 2026 District No. 2 will assume maintenance responsibilities for 67.66 acres of open space to be transferred to District No. 2 by District No. 1 following the Transition Period, and (C) in calendar year 2027 District No. 2 shall assume management of any and all District No. 1 employees (of which there is currently one full time) and contractors, and shall be assigned membership in the Eagle River Pump Station Operations & Maintenance Agreement currently held by District No. 1. Upon completion of the Transition Period, District No. 2 agrees to continue to serve all lots within the Buckhorn Village Community, whether developed or undeveloped, via the Irrigation System, subject to the availability of water. To the extent that water supply is determined to be insufficient to support full build-out, the Districts are to work together in good faith to establish appropriate measures to develop future lots with restriction such as xeriscaping, and District No. 2 agrees to use reasonable best efforts to obtain water from all available sources, control usage of water, and provide available water for further development consistent with the Town’s requirements and water plan for the Buckhorn Village Community.

Following the completion of the Transition Period the single lot parcel comprising the boundaries of District No. 1 is to be changed to a mutually agreed upon location within the Districts that is not planned for development. Upon full build-out or payment of all District No. 2 debt, the Districts are to pursue the consolidation of the Districts into a single entity or the dissolution of District No. 1. At such time, District No. 1 is to transfer any residual water rights to District No. 2, subject to related conditions or development approvals of the Town. As of January 1, 2028, District No. 2 is to draft shared budgets for the Districts, maintain the Districts’ records and remit to District No. 1 sufficient funds for District No. 1 to fulfill its basic governance for statutory compliance until its dissolution or consolidation with District No. 2.

Fee increases and new fees to be imposed in connection with the Irrigation System include (i) \$5,000 fee imposed against all newly developing lots within the Buckhorn Village Community to begin on the 142nd lot after the execution of the 2025 Restated Districts IGA payable upon the sale of the lot or unit, or issuance of a certification of occupancy to the new owner (this fee is to be deposited into the newly established enterprise fund and used for necessary repairs and improvements to the Irrigation System), (ii) a \$10,000 fee imposed against all newly developing lots within the Buckhorn Village Community to begin on the 142nd lot after the execution of the 2025 Restated Districts IGA payable upon the sale of the lot or unit, or issuance of a certification of occupancy to the new owner (this fee may be applied towards debt service payments associated with the Bonds), and (iii) an additional fee ranging from \$2,750 to \$4,500 imposed against all newly developing lots within the Buckhorn Village Community payable upon the sale of the lot or unit, or issuance of a certification of occupancy to the new owner (this fee may be applied towards debt service payments associated with the Bonds).

2008 Subordinate Bonds Full Settlement and Release. The Lawsuit and Appeals referenced above in “Districts Settlement Agreement” also involved prior developer related board members, including David Garton, Jr., the current holder of the Series 2008 Subordinate Bonds. On or about June 3, 2025 District No. 2 and certain individuals, including David Garton, Jr., executed the Full and Final Settlement Agreement and Release pursuant to which the parties agreed to release, acquit and forever discharge each other from any and all liabilities, claims, demands, rights, controversies, agreements, damages, actions, causes of action, expenses, attorney’s fees, costs, interest, compensation, judgement, and all consequential and punitive damages, of whatever kind or nature, relating to or arising from the individuals tenure as members of the Boards and the Lawsuit. The terms of such release provided, in addition to the filings of dismissal with prejudice of the Lawsuit and Appeals, for the buy out of the Series 2008 Subordinate Bonds

with payments to be made to David Garton, Jr. in the amount of \$1,000,000, made payable to David Garton, Jr. or any other individual or entity expressly authorized by David Garton, Jr., within thirty days of the issuance of the Bonds, with such payment to constitution full accord and satisfaction of any amount owed to Garton, any related entity, his heirs or assigns, related to the Series 2008 Subordinate Bonds.

Land Lease Agreement/Storage Lot. Beginning in 2019, the District converted a 2.1 acre land tract into a recreational vehicle storage lot and began leasing 35 storage spaces to various private parties. Storage spaces are rented out at the rate of \$40 per month per storage space. The District contracted with two individuals to manage all aspects of the storage lot including supervision and monitoring of the lot, managing the lease and lease renewal process, enforcing storage lot rules and regulations on storage lot leases, marketing storage lot leasing services to the general public and managing the administrative and accounting functions related to providing storage lot leasing services. The management contract is renewable annually at the option of the District, and was amended restated and renewed on January 1, 2023 and again on January 1, 2024 for an additional 12-month period. The management contract is to be automatically renewed for five additional one-year terms unless otherwise terminated as provided in the management agreement. For the 12-month period ending December 31, 2024, the District earned \$21,600 in lease fee income.

Facilities and Services Provided by the Districts

The District owns 17 open space land tracts comprising approximately 14.4 acres within the District. District No. 1 owns six land tracts within the District comprising proximately 67.7 acres of land and currently operates the following public infrastructure located within and without the District: (1) storm water detention ponds, (2) entryway monumentation, and (3) the non-potable water system that irrigates the landscaping in the parks, open spaces and home lots. The non-potable irrigation system includes (1) two pump stations, (2) approximately 1.9 miles of surface water ditches, (3) approximately 6 miles of transport pipelines, (4) a 5.5 acre reservoir, (5) underground water main lines, (6) sprinkler systems, and (7) an irrigation zone controller system. District No. 1 also owns water rights to draw water from Eagle River, Abram's Creek and Hernage Creek to supply the non-potable water irrigation system. See “—District Agreements.”

The District represents that the public improvements necessary to serve the developed property within the District and any additional improvements necessary to serve the Buckhorn Valley Community will be completed by the developer of such property.

Other Services Available Within the District

Residents of the Districts are provided a wide range of services by various entities other than the Districts. The Buckhorn Valley Community receives potable water, sewer and solid waste collection from the Town of Gypsum, police protection from the County, fire protection from either the Greater Eagle Fire Protection District or the Gypsum Fire Protection District, electricity from Holy Cross Electric Association and natural gas services from Black Hills Energy, and local telephone service from Qwest Communications. Residents of the District are served by Eagle County School District RE-50J.

Cybersecurity

During the last five years, the District has not experienced any cybersecurity incidents, although the District is aware of the threat of cyberattacks. Because the District does not currently provide any services requiring direct customer billing or related customer information, the District currently does not carry cybersecurity insurance.

DEVELOPMENT WITHIN THE DISTRICT

The property within the District consists of an approximately 368-acre residential planned unit development, which was originally expected to be comprised of a total of 899 residential units, is currently anticipated to be comprised of approximately 838 single-family detached or attached homes at buildout. As of July 1, 2025, 464 homes or residential units have been completed, sold and closed to individual homeowners.

In April of 2025 the Gypsum Town Council approved a change to a section of the planned PUD for the Buckhorn Valley Community changing what was once an area zoned for multifamily housing to a neighborhood of 72 single-family homes. BV Firewheel, LLC, the developer of the property currently, intends that the homes (all modular units) will be built by Mountain Valley Homes. Using its own funds for the project, the developer currently intends to build the homes in roughly 20-unit batches and has reported that anticipated target prices for the units range from \$740,000 to \$750,000. *Notwithstanding any of the foregoing, neither BV Firewheel, LLC nor any other future property owners are contractually obligated to pursue the development of the property comprising the future development, and no assurance is given that development will occur in accordance with the present expectations and permitted land uses, or modifications thereof, or at all.*

DISTRICT FINANCIAL INFORMATION

Ad Valorem Property Taxes

The Board has the power, subject to constitutional and statutory guidelines, to certify a levy for collection of ad valorem taxes against all taxable property of the District. Property taxes are uniformly levied against the assessed valuation of all taxable property of the District. The property subject to taxation, the assessment of such property, and the property tax procedure and collections are discussed below.

Property Subject to Taxation. Both real and personal property located within the boundaries of the County, unless exempt, are subject to taxation. Exempt properties generally include: property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; charitable property; religious property; irrigation ditches, canals and flumes; household furnishings; personal effects; intangible personal property; inventories of merchandise and materials and supplies which are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; agricultural equipment which is used on the farm or ranch in the production of agricultural products; and nonprofit cemeteries.

Assessment of Property. All taxable property is listed, appraised and valued for assessment as of January 1 of each year by the County Assessor. The “actual” value, with certain exceptions, is determined by the County Assessor annually based on a biennially recalculated “level of value” set on January 1 of each odd-numbered year. The “level of value” is ascertained for each two-year reassessment period from manuals and associated data prepared and published by the State property tax administrator for the eighteen-month period ending on the June 30 immediately prior to the beginning of each two-year reassessment period. For example, “actual” values for the 2025 levy/2026 collection year are based on market data obtained from the period January 1, 2023–June 30, 2024. “Level of value” calculation does not change for even-numbered years. The classes of property the “actual” value of which is not determined by a level of value include oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals.

The assessed value of taxable property is then determined by multiplying the “actual” value (determined as described in the immediately preceding paragraph) times an assessment ratio.

Gallagher Amendment Repeal. The assessment ratio of residential property previously changed from year to year based on a constitutionally mandated requirement to keep the ratio of the assessed value of commercial property to residential property at the same level as it was in the assessment year commencing January 1, 1985 (the “Gallagher Amendment”). The Gallagher Amendment required that statewide residential assessed values be approximately 45% of the total assessed value in the State, with commercial and other assessed values making up the other 55% of the assessed values in the State. In order to maintain this 45% to 55% ratio, the commercial assessment rate was established at 29% of the actual value of commercial property (including vacant land and undeveloped lots) and the residential assessment rate fluctuated. The residential rate was 7.20% for assessment years 2017 and 2018 (collection years 2018 and 2019) and was reduced to 7.15% for assessment years 2019 and 2020 (collection years 2020 and 2021). In 2020, voters in Colorado approved a constitutional amendment to repeal the Gallagher Amendment (the “Gallagher Amendment Repeal”), freezing assessment rates at their current levels until the next assessment year for which the Colorado General Assembly adjusts one or more of the assessment ratios. The Gallagher Amendment Repeal still permits the Colorado General Assembly to adjust any assessment ratio in a downward fashion but no longer obligates a downward residential assessment ratio. Any upward adjustment may require a state-wide vote under the State Constitution.

Current Assessment Ratios. Since 2020, the General Assembly has enacted property tax legislation creating new property classes and adjusting the assessment ratios for such property classes. Property is generally classified as either residential or nonresidential. Within the residential category, property is classified as either multi-family or “all other residential.” In the nonresidential category, property is classified as lodging, renewable energy, agriculture, vacant land, commercial, or industrial. For each class of property, an assessment rate is assigned and adjusted (as applicable) in accordance with State law. The residential assessment rate for purposes of a mill levy imposed by a local governmental entity differs from the residential assessment rates imposed for purposes of a mill levy imposed by a school district, and the applicable residential ratio for 2025 and 2026 are to be determined by a Statewide actual growth rate. Furthermore, for property tax years 2025-2026, if there are sufficient excess State revenues, the valuation for assessment for qualified senior primary residential real property will be reduced. See “—Reimbursed Property Tax Reduction for Senior Citizens and Veterans” hereafter.

Assessment Appeals. Beginning in May of each year, each county assessor hears taxpayers’ objections to property valuations, and the county board of equalization hears assessment appeals. The assessor is required to complete the assessment roll of all taxable property no later than August 25 each year. The abstract of assessment prepared therefrom is reviewed by the State property tax administrator. Assessments are also subject to review at various stages by the State board of equalization, the State board of assessment appeals and the State courts. Therefore, the County’s assessed valuation may be subject to modification as a result of the review of such entities. In the instance of the erroneous levy of taxes, an abatement or refund must be authorized by the board of county commissioners. In no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after January 1 of the year following the year in which the taxes were levied. Refunded or abated taxes are prorated among all taxing jurisdictions which levied a tax against the property.

Taxation Procedure. The assessed valuation and statutory “actual” valuation of taxable property within the County is required to be certified by the County Assessor no later than August 25 each year. Such value is subject to recertification by the County Assessor prior to December 10. The Board then determines a rate of levy which, when levied upon such certified assessed valuation, and together with other legally available revenues, will raise the amount required annually by the County for its General Fund to defray its expenditures during the ensuing fiscal year. In determining the rate of levy, the Board must take

into consideration the limitations on certain increases in property tax revenues as described in “—Constitutional Amendment Limiting Taxes and Spending” below. The certification of the levy must occur no later than December 15. Upon completion of the tax levy certification for the County and other taxing entities within the County, the Board levies against the assessed valuation of all taxable property within the County the applicable property taxes. Such levies are certified to the County Assessor, who thereupon delivers the tax list and warrant to the County Treasurer for the collection of taxes.

Property Tax Collections. Taxes levied in one year are collected in the succeeding year. Taxes certified in 2024, for example, are being collected in 2025. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or two equal installments (not later than the last day of February and June 15) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of 1% per month until paid. Unpaid amounts become delinquent, and interest thereon will accrue from March 1 (with respect to the first installment) and June 16 (with respect to the second installment) until the date of payment, provided that if the full amount of taxes is to be paid in a single payment, such amount will become delinquent on May 1 and will accrue interest thereon from such date until paid. The County Treasurer collects current and delinquent property taxes, as well as any interest, penalties, and other requirements and remits the amounts collected to the County on a monthly basis.

All taxes levied on real and personal property, together with any interest and penalties prescribed by law, as well as other costs of collection, until paid, constitute a perpetual lien on and against the taxed property. Such lien is on parity with the liens of other general taxes. It is the County Treasurer’s duty to enforce the collection of delinquent real property taxes by sale of the tax lien on such realty in December of the collection year and of delinquent personal property taxes by the distraint, seizure and sale of such property at any time after October 1 of the collection year. There can be no assurance, however, that the value of taxes, penalty interest and costs due on the property can be recovered by the County Treasurer. Further, the County Treasurer may set a minimum total amount below which competitive bids will not be accepted, in which event property for which acceptable bids are not received will be set off to the County. Taxes on real and personal property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and canceled by the Board.

Reimbursed Property Tax Reduction for Senior Citizens and Veterans. Article X, Section 3.5 of the State Constitution grants a property tax reduction to qualified senior citizens, qualified veterans, and qualified surviving spouses of United States armed forces service members who died in the line of duty or veterans whose death resulted from a service-related injury or disease. Generally, the reduction (a) reduces property taxes for qualified persons by exempting 50% of the first \$200,000 of actual value of residential property from property taxation; (b) requires that the State reimburse all local governments for any decrease in property tax revenue resulting from the reduction; and (c) excludes the State reimbursement to local governments from the revenue and spending limits established under Article X, Section 20 of the State Constitution. In addition, for property tax years 2025 and 2026, the assessed value of owner-occupied senior primary residences for those who have previously qualified for the existing senior homestead exemption but are currently ineligible is reduced with the State reimbursing local governments for any decrease in property tax revenue resulting from the reduction.

Ad Valorem Property Tax Data

Assessed Valuation and Mill Levies. The District’s assessed valuation and mill levies since the 2020 levy year to date are set forth in the following table. See “—Ad Valorem Property Taxes—*Assessment of Property*” above for a description of the assessment ratios for taxable property used in each of such years. See “DISTRICT FINANCIAL INFORMATION—Constitutional Amendment Limiting Taxes and Spending.”

TABLE III
History of District’s Assessed Valuation and Mill Levy

Levy/Collection Year	Assessed Valuation	General Fund Mill Levy	Bond Debt Mill Levy	Total Mill Levy
2020/2021	\$12,485,990	6.811	54.488	61.299
2021/2022	13,851,090	6.810	54.489	61.299
2022/2023	14,171,560	7.000	56.057	63.057
2023/2024	20,418,930	5.098	58.149	63.247
2024/2025	21,244,620	5.465	60.902	66.367

Sources: State of Colorado, Colorado Department of Local Affairs, Division of Property Taxation, 2020-2024 State of Colorado Property Tax Annual Reports; the Eagle County Assessor’s Office and the District Mill Levy Certifications

Property Tax Collections. The following table sets forth a history of the District’s ad valorem property tax collections within the District since the 2019 levy year on a calendar year basis.

TABLE IV
History of District’s Property Tax Collections

Levy/Collection Year	Current Taxes Levied	Current Taxes Collected ¹	Percent Taxes Collected
2019/2020	\$ 685,342	\$ 685,148	99.97%
2020/2021	765,379	765,323	99.99
2021/2022	849,058	849,242	100.02
2022/2023	893,616	893,804	100.02
2023/2024	1,291,436	1,298,427	100.54
2024/2025 ²	1,409,942	1,387,808	98.43

¹ Figures do not include treasurer fees.

² Estimated collections through June 30, 2025.

Sources: State of Colorado, Colorado Department of Local Affairs, Division of Property Taxation, 2019-2024 State of Colorado Property Tax Annual Reports and the Eagle County Treasurer’s office

Assessed and “Actual” Valuation of Classes of Property. The following table sets forth the 2024 assessed and “actual” valuations (for the 2025 tax collection year) of specific classes of property within the District. As shown below, residential property has accounted for the largest percentage of the assessed valuation.

TABLE V
2024 Assessed and “Actual” Valuation of Classes of Property in the District

Class	Assessed Valuation	Percent of Assessed Valuation	“Actual” Valuation	Percent of “Actual” Valuation
Residential	\$18,851,340	88.73%	\$281,365,660	97.04%
Vacant	2,299,240	10.82	8,240,990	2.84
State Assessed	<u>94,040</u>	<u>0.44</u>	<u>337,060</u>	<u>0.12</u>
Total	<u>\$21,244,620</u>	<u>100.00%</u>	<u>\$289,943,710</u>	<u>100.00%</u>

Source: Eagle County Assessor’s Office

Largest Taxpayers. Set forth in the following table are the persons or entities which represent the largest taxpayers within the District for the 2024 levy year (2025 collection year), as provided by the County Assessor’s Office. A determination of the largest taxpayers within the District can be made only by manually reviewing individual tax records. Therefore, it is possible that owners of several small parcels may have an aggregate assessment in excess of those set forth in the following table. Furthermore, the taxpayers shown in the table may own additional parcels within the District. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the District. The District’s mill levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the District from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the mill levies of the other taxing entities which overlap the properties.

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TABLE VI
2024 Largest Taxpayers Within the District

Name	Assessed Valuation	Percent of Assessed Valuation ¹
BV Firewheel, LLC	\$1,010,140	4.75%
Individual Property Owner	391,430	1.84
Individual Property Owner	96,320	0.45
Gypvail LLC	87,230	0.41
Individual Property Owner	87,230	0.41
Ellyce Hills LLC	81,420	0.38
Striebich LLC	80,300	0.38
Holy Cross Electric Association Inc.	71,330	0.34
Individual Property Owner	63,430	0.30
WLCH Corporation Lot 13 LLC	<u>61,980</u>	<u>0.29</u>
Total	<u>\$2,030,810</u>	<u>9.56%</u>

¹ The 2024 assessed valuation figure of the District used in computing the above was \$21,244,620. Figures have been rounded.
Source: Eagle County Assessor's Office

Overlapping Mill Levies. Numerous entities located wholly or partially within the District are authorized to levy taxes on property located within the District. According to the County Assessor's office, there are currently 13 entities overlapping all or a portion of the District. As a result, property owners within the District may be subject to various mill levies depending upon the location of their property. According to the County Assessor's office, the lowest total mill levy imposed in 2024 (for payment in 2025) on a taxpayer located in the District was 124.382 and the highest was 124.745. The following table is representative of sample total 2024 mill levies (for payment in 2025) attributable to the majority of taxpayers within the District (according to the County Assessor) and is not intended to portray the mills levied against all properties within the District. Additional taxing entities may overlap the District in the future. See also "DEBT STRUCTURE—General Obligation Debt—*Estimated Overlapping General Obligation Debt.*"

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TABLE VII
Sample Total 2024 Mill Levy

Taxing Entity	2024 Mill Levy ¹
Cedar Hill Cemetery District	0.490
Colorado Mountain College	3.230
Colorado River Water Conservancy District	0.501
Eagle County	8.390
Eagle County School District RE-50J	21.614
Eagle County Health Services	2.773
Eagle Valley Library District	2.763
Gypsum (Town of)	5.094
Gypsum Fire Protection District	9.873
Mountain Recreation Metropolitan District	<u>3.650</u>
Overlapping Mill Levy	58.378
The District	<u>66.367</u>
Total Overlapping Mill Levy	<u>124.745</u>

¹ One mill equals 1/10 of one cent. Mill levies certified in 2024 are for the collection of ad valorem property taxes in 2025.

Source: Eagle County Assessor's Office

Specific Ownership Taxes

Specific Ownership Taxes represent the amounts received by the District from the State pursuant to Section 42-3-107 C.R.S., primarily on motor vehicle licensing. Such tax is collected by all counties and distributed to every taxing entity within a county, such as the District, in the proportion that the taxing entity's ad valorem taxes represents the cumulative amount of ad valorem taxes levied county-wide.

Other Revenues; Operational Mill Levy

The District may apply other legally available funds and revenues to the payment of debt service on the Bonds, and upon the application of such other funds and revenues, the debt service mill levy may, to that extent, be diminished. However, the Bonds do not constitute a lien or encumbrance on such revenues. Other revenues available to the District include interest and other earnings on investments and, to the extent not prohibited by other contractual obligations, fees for services and facilities allowed under the Service Plan.

Capital Improvement Fees

"Capital Improvement Fees" are defined in the Bond Resolution as one-time impact fees or development charges imposed on new development prior to or at the time of issuance of a building permit to defray the costs of or provide reimbursement for capital improvements. Such fees are currently expected to be a \$10,000 fee imposed against all newly developing lots within the Buckhorn Village Community to begin on the 142nd lot after the execution of the 2025 Restated Districts IGA payable upon the sale of the lot or unit, or issuance of a certification of occupancy to the new owner, and an additional fee ranging from \$2,750 to \$4,500 imposed against all newly developing lots within the Buckhorn Village Community payable upon the sale of the lot or unit, or issuance of a certification of occupancy to the new owner. See "THE DISTRICT—District Agreements—*Second Amended and Restated District Facilities Construction and Service Agreement.*"

Accounting Policies and Financial Statements

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

In accordance with Title 29, Article 1, Part 6, C.R.S., an annual audit is required to be made of the District's financial statements at the end of the fiscal year unless an exemption from audit has been granted by the State Auditor's office. The District's audited financial statements for the year ended December 31, 2024 are appended hereto and represent the District's most current audited financial statements.

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Historical Financial Information

For auditing purposes, the District maintains two governmental funds, the General Fund and the Debt Service Fund. The General Fund is utilized for the general operating activities of the District and is primarily supported from interfund transfers. The Debt Service Fund is used to account for the accumulation of financial resources for the payment general long-term obligations, interest and other related costs. Set forth hereafter is a five-year comparative statement of revenues, expenditures and changes in fund balances for the District's General Fund and Debt Service Fund. The following information should be read together with the District's financial statements and accompanying notes appended thereto.

TABLE VIII
History of General Fund Revenues, Expenditures and Changes in Fund Balance

	2020	2021	2022	2023	2024
Revenues					
Property Taxes	\$76,125	\$ 85,030	\$ 94,346	\$ 99,222	\$ 104,659
Specific Ownership Taxes	--	3,839	5,088	5,687	5,082
Storage Lot Rental Fees	--	16,286	16,800	21,600	21,600
Net Investment Income	33	36	390	666	604
Other Income	--	--	2,764	--	9,369
Total Revenues	<u>76,158</u>	<u>105,191</u>	<u>119,388</u>	<u>127,175</u>	<u>141,314</u>
Expenditures					
General Administrative Costs	--	--	37,193	20,458	20,584
Legal/Contingency Costs	--	--	25,020	110,715	300,832 ^{1, 3}
Current:					
Treasurer's Fees	2,285	2,551	--	--	--
Storage Lot Management Fees	--	10,000	16,800	21,720	39,860
Intergovernmental					
Service Obligation to BMVD No. 1 ¹	<u>73,873</u>	<u>35,161</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Expenditures	<u>76,158</u>	<u>47,712</u>	<u>79,013</u>	<u>152,893</u>	<u>361,276</u>
Excess of Revenues Over (Under)					
Expenditures	--	57,479	40,375	(25,718)	(219,962)
Other Financing Sources					
Transfers In (Out)	<u>--</u>	<u>(12,930)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Other Financing Sources	<u>--</u>	<u>(12,930)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of Revenues Over (Under)					
Expenditures	--	44,549	40,375	(25,718)	(219,962)
Beginning Fund Balance	<u>--</u>	<u>225,210</u>	<u>269,759</u>	<u>235,358</u> ²	<u>209,640</u>
Ending Fund Balance	<u>\$ --</u>	<u>\$269,759</u>	<u>\$310,134</u> ²	<u>\$209,640</u>	<u>\$ (10,322)</u> ³

¹ In accordance with the agreement between the two Districts, the District paid certain legal and contingency costs by imposing ad valorem taxes on the taxable property within District boundaries and transferring the proceeds thereof to District No. 1. See "THE DISTRICT—District Agreements."

² The beginning fund balance for 2023 was adjusted down by \$74,776 for the correction of an error in the calculation of the receivable due from Buckhorn Valley Metro District No 1.

³ Certain legal fees and other items are to be reimbursed with Bond proceeds, effectively bringing the 2024 ending fund balance back to positive for accounting purposes. See "THE BONDS—Application of Bond Proceeds—*Refunding Plan*" and "THE DISTRICT—District Agreements."

Source: District Audited Financial Statements for years ended December 31, 2020-2024

TABLE IX
History of Debt Service Fund Revenues, Expenditures and Changes in Fund Balance ¹

	2020	2021	2022	2023	2024
Revenues					
Property Taxes	\$609,023	\$680,243	\$754,896	\$794,582	\$1,193,768
Specific Ownership Taxes ²	34,023	30,14	40,718	45,544	57,949
Net Investment Income	<u>289</u>	<u>313</u>	<u>4,771</u>	<u>9,789</u>	<u>10,070</u>
Total Revenues	<u>643,335</u>	<u>711,270</u>	<u>800,385</u>	<u>849,915</u>	<u>1,261,787</u>
Expenditures					
Direct and Indirect Collection Costs ²	--	27,583	96,807	65,646	79,798
Banking Fees	10	--	--	--	--
County Treasurer's Fees	18,279	--	--	--	--
Interest – 2003 Bonds	145,825	182,314	135,390	148,042	221,674
Interest – 2010 Bonds	477,010	521,041	569,810	631,128	945,142
Paying Agent/Trustee Fees	<u>500</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Expenditures	<u>641,714</u>	<u>730,938</u>	<u>802,007</u>	<u>844,816</u>	<u>1,246,614</u>
Excess of Revenues (Over) Under Expenditures	1,621	(19,668)	(1,622)	5,099	15,173
Other Financing Sources					
Transfers In (Out)	<u>--</u>	<u>12,930</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Other Financing Sources	<u>--</u>	<u>12,930</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balance	1,621	(6,738)	(1,622)	5,099	15,173
Beginning Fund Balance	<u>5,117</u>	<u>6,738</u>	<u>--</u>	<u>(1,622)</u>	<u>3,478</u>
Ending Fund Balance	<u>\$ 6,738</u>	<u>\$ --</u>	<u>\$ (1,622)</u>	<u>\$ 3,477</u>	<u>\$ 18,651</u>

¹ Totals may not add due to rounding.

² Specific Ownership Taxes have historically been applied to indirect collection costs, however, such revenues are not part of the Pledged Revenue for the Bonds. In the future, the District may discontinue accounting for indirect collection costs in the Debt Service Fund or accounting for Specific Ownership Taxes attributable to the debt service mill levy in the Debt Service Fund.

Source: District Audited Financial Statements for years ended December 31, 2020-2024

Budget and Appropriation Procedure

The District's budgets are prepared on a calendar year basis as required by Title 29, Article 1, Part 1, C.R.S. The budgets must present a complete financial plan for the District, setting forth all estimated expenditures, revenues, and other financing sources for the ensuing budget year, together with the corresponding figures for the previous fiscal year.

On or before October 15 of each year, each District's budget officer must submit a proposed budget to the Board for the next fiscal year. Thereupon notice must be published stating, among other things, that the proposed budget is open for inspection by the public and that interested electors may file or register any objection to the budget prior to its adoption.

Before the beginning of the fiscal year, the Board must enact an appropriation resolution which corresponds with the budget. The income of the District must be allocated in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized by the appropriation resolution. District expenditures may not exceed the amounts appropriated, except in the case of an emergency which was not reasonably foreseeable. Under such circumstances, the Board may authorize the expenditure of funds in excess of the budget by a resolution adopted by a majority vote of the Board following proper notice. If the District receives revenues which were unanticipated or unassured at the time of adoption of the budget, the Board may authorize the expenditure thereof by adopting a supplemental budget and appropriation resolution after proper notice and a hearing thereon. In the event that revenues are lower than anticipated in the adopted budget, the District may adopt a revised appropriation resolution after proper notice and a hearing thereon. The transfer of budgeted and appropriated moneys within a fund or between funds may be accomplished only in accordance with State law.

Limitation on Certain Tax Revenues. It is through the preparation of the budget and by taking into consideration all sources of revenue, costs of construction, expenses of operating the District, and the debt service requirements of the District's outstanding bonds and other obligations that the rate of mill levy is determined each year. Pursuant to the provisions of Section 20 of Article X of the Colorado Constitution, the District is subject to tax revenue limitations as described in "—Constitutional Amendment Limiting Taxes and Spending," but has received voter approval to waive such limitations.

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Budgeted Financial Information

The following tables set forth a comparison and a summary of the 2024 and 2025 budgets as adopted, the 2024 actual year-end unaudited figures and the 2025 actual year to date unaudited figures for the District's General Fund and Debt Service Fund. The Board adopted the District's 2025 budget and appropriation resolution as described above and the District filed such budget with the State Division of Local Government on November 19, 2024.

TABLE X
General Fund Budget Summary and Comparison

	2024 Budget ¹	2024 Actual	2025 Budget ¹	2025 Year-to- Date Actual (unaudited) ²
Beginning Balance	\$317,000	\$209,640	\$ 44,700	\$(10,322)
Revenues				
Property Taxes	104,100	104,659	116,100	72,228
Specific Ownership Taxes	5,200	5,082	5,700	1,893
Storage Lot Fees	24,000	21,600	24,000	11,980
Other Fees	370,300	604	--	--
Interest Income	<u>500</u>	<u>9,369</u>	<u>5,000</u>	<u>3,399</u>
Total Revenues	<u>504,100</u>	<u>141,314</u>	<u>150,800</u>	<u>89,500</u>
Total Funds Available	<u>821,100</u>	<u>350,954</u>	<u>195,500</u>	<u>79,178</u>
Expenditures				
General & Administrative Expenses	24,200	20,584	28,500	8,774
Storage Lot Expenses	24,000	39,860	24,000	11,980
Water Services	226,000	--	--	--
Litigation Costs	<u>77,400</u>	<u>300,832</u>	<u>123,300</u>	<u>33,860</u>
Total Expenditures	<u>351,600</u>	<u>361,276</u>	<u>175,800</u>	<u>54,614</u>
Other Financing Sources (Uses)				
Transfers to Capital Project Fund	144,300	--	--	--
Total Expenditures and Financing (Sources) Uses Required				
Appropriation	<u>495,900</u>	<u>361,276</u>	<u>175,800</u>	<u>54,614</u>
Ending Fund Balance	<u>\$325,200</u>	<u>\$(10,322)</u>	<u>\$ 19,700</u>	<u>\$ 24,564</u>

¹ Budgets as adopted.

² Unaudited year-to-date figures through June 30, 2025.

Source: District 2024 and 2025 Budget Documents and the District

TABLE XI
Debt Service Fund Budget Summary and Comparison

	2024 Budget ¹	2024 Actual	2025 Budget ¹	2025 Year-to- Date Actual (unaudited) ²
Beginning Fund Balance	\$ 28,400	\$3,478	\$ --	\$18,651
Revenues				
Property Taxes Bonds	1,187,300	1,193,768	1,293,800	804,907
Specific Ownership Taxes ³	59,400	57,949	63,400	20,979
Interest Income	<u>11,000</u>	<u>10,070</u>	<u>11,000</u>	<u>3,551</u>
Total Revenues	1,257,700	1,261,787	1,368,200	829,437
Total Funds Available	<u>1,286,100</u>	<u>1,265,265</u>	<u>1,368,200</u>	<u>848,088</u>
Expenditures				
Direct and Indirect Collection Costs ³	--	79,798	99,500	42,103
Bond Interest Payments- 2003	226,800	221,674	225,900	128,902
Bond Interest Payments- 2010	<u>967,100</u>	<u>945,142</u>	<u>1,042,800</u>	<u>549,527</u>
Total Expenditures	1,281,100	1,246,614	1,368,200	720,532
Total Expenditures and Financing Uses Requiring Appropriation	<u>1,281,000</u>	<u>1,246,614</u>	<u>1,368,200</u>	<u>720,532</u>
Ending Fund Balance	\$ <u>5,000</u>	\$ <u>18,651</u>	\$ <u>--</u>	\$ <u>127,556</u>

¹ Budgets as adopted.

² Unaudited year-to-date figures through June 30, 2025.

³ Specific Ownership Taxes have historically been applied to indirect collection costs, however, such revenues are not part of the Pledged Revenue for the Bonds. In the future, the District may discontinue accounting for indirect collection costs in the Debt Service Fund or accounting for Specific Ownership Taxes attributable to the debt service mill levy in the Debt Service Fund.

Source: District 2024 and 2025 Budget Documents and the District

Risk Management

The Board acts to protect the District against loss and liability by maintaining certain insurance coverages which the District's Board believes to be adequate. The Board acts to protect the District against loss and liability by maintaining certain insurance coverage. Currently, the District maintains insurance through the Colorado Special Districts Property and Liability Pool ("CSDPLP"). CSDPLP was established by the Special District Association of Colorado in 1988 to provide special districts with general liability, auto/property liability, and public officials' liability insurance coverage as an alternative to the traditional insurance market. Since 2001, CSDPLP has also offered workers' compensation insurance. The District's current policy expires on January 1, 2026. However, there can be no assurance that the District will continue to maintain their current levels of coverage.

Deposit and Investment of District Funds

State statutes set forth requirements for the deposit of District funds in eligible depositories and for the collateralization of such deposited funds. The District also may invest available funds in accordance with applicable State statutes. The investment of the proceeds of this issue also is subject to the provisions of the Tax Code. See "TAX MATTERS."

Constitutional Amendment Limiting Taxes and Spending

On November 3, 1992, Colorado voters approved an amendment to the Colorado Constitution, which is commonly referred to as the Taxpayer's Bill of Rights, or TABOR, and now constitutes Section 20 of Article X of the Colorado Constitution. TABOR imposes various limits and new requirements on the State and all State local governments which do not qualify as "enterprises" under TABOR (each of which is referred to in this Section as a "governmental unit"). Any of the following actions, for example, now requires voter approval in advance: (a) any increase in a governmental unit's spending from one year to the next in excess of the rate of inflation plus a "growth factor" based on (i) for the State, the percentage change in State population, (ii) for a school district, the percentage change in student enrollment, and (iii) for any other local government, the net percentage change in actual value of all real property from construction of taxable real property improvements, minus destruction of similar improvements, and additions to, minus deletions from, taxable real property; (b) any increase in the real property tax revenues of a local governmental unit (not including the state) from one year to the next in excess of inflation plus the appropriate "growth factor" referred to in (a) above; (c) any new tax, tax rate increase, mill levy above that for the prior year, valuation for assessment ratio increase for a property class, extension of an expiring tax or a tax policy change directly causing a net tax revenue gain; and (d) except for refinancing bonded indebtedness at a lower interest rate or adding new employees to existing pension plans, creation of any multiple fiscal year direct or indirect debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. Elections on such matters may only be held on the same day as a state general election, at the governmental unit's regular biennial election or on the first Tuesday in November of odd numbered years, and must be conducted in accordance with procedures described in TABOR.

Revenue collected, kept or spent in violation of the provisions of TABOR must be refunded, with interest. TABOR requires a governmental unit to create an emergency reserve of 3% of its fiscal year spending in 1995 and subsequent years. TABOR provides that "[w]hen [a governmental unit's] annual revenue is less than annual payments on general obligation bonds, pensions, and final court judgments, the [voter approval requirement for mill levy and other tax increases referred to in clause (c) of the preceding paragraph and the voter approval requirement for spending and real property tax revenue increases referred to in clauses (a) and (b) of the preceding paragraph] shall be suspended to provide for the deficiency." The preferred interpretation of TABOR shall, by its terms, be the one that reasonably restrains most the growth of government.

De-Brucing. At the November 7, 2000 election, voters of the Districts approved an election question allowing the District to collect and expend any amounts raised annually in 2000 and any year thereafter from its mill levy, and from specific ownership taxes, interest income, tap fees, grants and any other income of the Districts, without regard to the revenue and spending limitations of TABOR.

DEBT STRUCTURE

The following is a discussion of the District's authority to incur general obligation indebtedness and other financial obligations and the amount of such obligations presently outstanding.

Required Elections

Various State constitutional and statutory provisions require voter approval prior to the incurrence of general obligation indebtedness by the District. Among such provisions, Article X, Section 20 of the Colorado Constitution requires that, except for refinancing bonded debt at a lower interest rate, the District must have voter approval in advance for the creation of any multiple fiscal year direct or indirect district debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. See “THE BONDS—Application of Bond Proceeds” and “DISTRICT FINANCIAL INFORMATION—Constitutional Amendment Limiting Taxes and Spending.”

General Obligation Debt

Statutory Debt Limit. The District is subject to a statutory debt limitation established pursuant to § 32-1-1101(6), C.R.S. Said limitation provides that, with specific exceptions, the total principal amount of general obligation debt issued by a special district will not at the time of issuance exceed the greater of \$2 million or 50% of the District’s assessed valuation. The issuance of the Bonds is permitted by § 32-1-1101(6), C.R.S. because the Bonds will be rated in one of the four highest investment grade rating categories.

Outstanding General Obligation Debt. As of the date of the Official Statement, the Bonds will be the District’s only outstanding general obligation debt. The District’s prior voter authorization obtained on or about the time of organization of the District has become stale and, other than in connection with refunding obligations at a lower interest rate, the issuance of any new District debt will required future voter approval of the qualified electors of the District. Additionally, see “THE BONDS—Bond Resolution Provisions—Additional Bonds.”

Estimated Overlapping General Obligation Debt. Certain public entities whose boundaries may be entirely within, coterminous with, or only partially within the District are also authorized to incur general obligation debt, and to the extent that properties within the District are also within such overlapping public entities such properties will be liable for an allocable portion of such debt. For purposes of this Official Statement, the percentage of each entity’s outstanding debt chargeable to District property owners is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District’s assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of general obligation debt for which the District’s property owners are responsible will also change.

TABLE XII
Estimated Overlapping General Obligation Debt

Overlapping Public Entity	Outstanding General Obligation Debt	Estimated Net Debt Chargeable to Properties in the District	
		Percent	Amount
Eagle County School District RE-50J	\$273,210,000	0.45%	<u>\$1,229,445</u>
Total			<u>\$1,229,445</u>

Source: County Assessor’s Office and individual entities

General Obligation Debt Ratios. Set forth in the following table are selected historical general obligation debt ratios for the District for the last five years. See “INTRODUCTION—Debt Ratios” for general obligation debt ratios for the District upon issuance and delivery of the Bonds.

TABLE XIII
Historical Debt Ratios

	Fiscal Years Ended December 31				
	2020	2021	2022	2023	2024
General Obligation Debt Outstanding	\$14,746,836	\$14,746,836	\$14,746,836	\$14,746,836	\$14,746,836
Estimated Population ¹	1,270	1,361	1,456	1,526	1,599
Debt Per Capita	\$11,612	\$10,835	\$10,128	\$9,664	\$9,223
Assessed Value	\$12,485,990	\$13,851,090	\$14,171,560	\$20,418,930	\$21,244,620
Ratio of Debt to Assessed Value	118.11%	106.47%	104.06%	72.22%	69.41%
Personal Income Per Capita	\$88,991	\$102,019	\$117,317	\$128,041	unavailable
Ratio of Debt Per Capita to Personal Income Per Capita	13.05%	10.62%	8.63%	7.55%	unavailable

¹ Estimated based on an assumed population of approximately 3.5 persons for each single-family home within the District.

Sources: District Audited Financial Statements 2020-2024; Eagle County Assessor’s office; State of Colorado, Division of Property Taxation, Annual Reports 2020-2024; and the District

LEGAL MATTERS

Sovereign Immunity

The Colorado Governmental Immunity Act, Title 24, Article 10, C.R.S. (the “Governmental Immunity Act”), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the District, for injuries which lie in tort or could lie in tort.

The Governmental Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including the operation of a non-emergency motor vehicle owned or leased by the public entity; the operation of any public hospital, correctional facility or jail; a dangerous condition of any public building; certain dangerous conditions of a public highway, road or street; and the operation and maintenance of any public water facility, gas facility, sanitation facility, electrical facility, power facility or swimming facility by such public entity.

In such instances the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which are not willful and wanton, and which occur during the performance of their duties and within the scope of their employment.

The maximum amounts that may be recovered under the Governmental Immunity Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of \$387,000 for claims accruing on or after January 1, 2018 and before January 1, 2022 or the sum of \$424,000 for claims accruing on or after January 1, 2022 and after January 2026; and (b) for an injury to two or more persons in any single occurrence, the sum of \$1,093,000 for claims accruing on or after January 1, 2018, and before January 1, 2022 (except in such instance, no single person may recover in excess of \$387,000) or the sum of \$1,195,000 for claims accruing on or after January 1, 2022 and before January 1, 2026 (except in such instance, no single person may recover in excess of

\$424,000). These amounts increase every four years pursuant to a formula based on the Denver-Boulder-Greeley Consumer Price Index, with the first such increase occurring on January 1, 2018. The governing board of a public entity may increase any maximum amount that may be recovered from the public entity for certain types of injuries. However, a public entity may not be held liable either directly or by indemnification for punitive or exemplary damages unless the applicable entity voluntarily pays such damages in accordance with State law.

Suits against both the District and a public employee do not increase such maximum amounts which may be recovered. The District may not be held liable either directly or by indemnification for punitive or exemplary damages. In the event that the District is required to levy an ad valorem property tax to discharge a settlement or judgment, such tax may not exceed a total of 10 mills per annum for all outstanding settlements or judgments.

The District may be subject to civil liability and damages including punitive or exemplary damages and it may not be able to claim sovereign immunity for actions founded upon various federal laws, or other actions filed in federal court. Examples of such civil liability include suits filed pursuant to 42 U.S.C. Section 1983 alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the District may be enjoined from engaging in anti-competitive practices which violate the antitrust laws. However, the Governmental Immunity Act provides that it applies to any State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

Pending and Threatened Litigation Involving the District

General Counsel to the District is expected to render an opinion upon delivery of the Bonds stating that, to the best of its actual knowledge, there is no action, suit or proceeding now pending or threatened against the District that will materially and adversely affect the financial condition or operations of the District or the District's power to levy the Limited Mill Levy, or the District's power to issue and deliver the Bonds, or execute and perform the obligations of the Bond Resolution. For information regarding certain recently settled litigation regarding the Districts and related persons serving as board members of the respective Districts, see "THE DISTRICT—District Agreements."

Legal Representation

Legal matters incident to the authorization and issuance of the Bonds are subject to approval by Kutak Rock LLP, Denver, Colorado, Bond Counsel. In addition to acting as Bond Counsel, Kutak Rock LLP has been retained to advise the District concerning, and has assisted the District in the preparation of, this Official Statement. Certain matters will be passed upon Rufien Law, Denver, Colorado, as General Counsel to the District.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

General Matters

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinion described above assumes the accuracy of certain representations and compliance by the District with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State of Colorado or any other state or jurisdiction.

A copy of the form of opinion of Bond Counsel is attached hereto as APPENDIX A.

Original Issue Discount

The Bonds that have an original yield above their respective interest rates, as shown on the cover page of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Treasury Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity).

Amounts received on disposition of such Discount Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the “adjusted issue price” of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium

The Bonds that have an original yield below their respective interest rates, as shown on the cover of this Official Statement (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding

An owner of a Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner’s taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other “reportable payments” (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading “TAX MATTERS” or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.

MISCELLANEOUS

Ratings

S&P Global Ratings (“S&P”) is expected to assign a rating on the Bonds of “AA” based upon the Policy to be issued concurrently with the delivery of the Bonds by the Bond Insurer. S&P has also assigned an underlying rating on the Bonds of “BBB” based upon its rating of the Bonds without regard to the delivery of the Policy. Such ratings reflect only the view of such rating agency. Any explanation of the significance of the ratings should be obtained from S&P at 55 Water Street, New York, New York, 10041.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the applicable rating agency if in the judgment of such rating agency circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

Registration of Bonds

Registration or qualification of the offer and sale of the Bonds (as distinguished from registration of the ownership of the Bonds) is not required under the federal Securities Act of 1933, as amended, the Colorado Securities Act, as amended, or the Colorado Municipal Bond Supervision Act, as amended, pursuant to exemptions from registration provided in such acts. THE DISTRICT ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED.

The “Colorado Municipal Bond Supervision Act,” Article 59 of Title 11, C.R.S., generally provides for the Colorado Securities Commissioner (the “Commissioner”) to regulate and monitor the issuance of municipal securities by special districts and certain other entities. Among other things, the act requires that

all bonds, debentures, or other obligations (defined in the act as “bonds”) issued by a special district must first be registered with the Commissioner unless exempt under the act.

Interest of Certain Persons Named in This Official Statement

The legal fees to be paid to Bond Counsel and Special Counsel to the District and counsel to the Underwriter are contingent upon the sale and delivery of the Bonds.

Continuing Disclosure Undertaking

Pursuant to the requirements of Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (the “Rule”), the District has agreed for the benefit of the holders of the Bonds to provide certain financial information, other operating data and notices of certain enumerated events to the Electronic Municipal Market Access facility (“EMMA”) operated by the Municipal Securities Rulemaking Board (“MSRB”) after the Bonds are executed and delivered. The form of the District’s Continuing Disclosure Undertaking for the Bonds is attached as Appendix B to this Official Statement.

Although the Series 2010 Bonds were exempt from the Rule, the District and a prior developer of land within the District agreed to voluntarily provide certain financial information, operating data and notices of enumerated events to the owners of the Series 2010 Bonds and the underwriter thereof pursuant to a continuing disclosure agreement. Over the past 5 years, the District and the prior developer have failed to provide certain financial and other information to the owners of the Series 2010 Bonds and the underwriter thereof required by the continuing disclosure agreement.

Underwriting

The Bonds are being sold by the District at an underwriting discount of \$_____ to the Underwriter pursuant to a purchase contract. See “THE BONDS—Application of Bond Proceeds.” Expenses associated with the issuance of the Bonds are being paid by the District from proceeds of the issue. The right of the Underwriter to receive compensation in connection with this issue is contingent upon the actual sale and delivery of the Bonds. The Underwriter has initially offered the Bonds at the prices or yields set forth on the cover page of this Official Statement, plus accrued interest from the date of the Bonds. Such prices or yields, as the case may be, may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the Bonds.

The Underwriter and its affiliates comprise a full-service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in

respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

Additional Information

Copies of statutes, resolutions, opinions, contracts, agreements, financial and statistical data, and other related reports and documents described in this Official Statement are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from the sources noted in the "INTRODUCTION" hereto.

Official Statement Certification

The preparation of this Official Statement and its distribution have been authorized by the Board. This Official Statement is hereby duly approved by the Board as of the date on the cover page hereof. This Official Statement is not to be construed as an agreement or contract between the District and the purchasers or owners of any Bond.

BUCKHORN VALLEY METROPOLITAN
DISTRICT NO. 2

By /s/ _____
President

APPENDIX A

AUDITED FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2024

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TOWN OF GYPSUM
EAGLE COUNTY, COLORADO



ANNUAL FINANCIAL STATEMENTS

December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Buckhorn Valley Metropolitan District No. 2

Eagle County, CO

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of Buckhorn Valley Metropolitan District No. 2 (the "District") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of District, as of December 31, 2024, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management 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 the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in blue ink that reads "Flynn CPA, LLC". The signature is stylized and includes a horizontal line underneath the text.

Castle Pines, Colorado
July 7, 2025

Buckhorn Valley Metropolitan District No 2
STATEMENT OF NET POSITION
December 31, 2024

	Governmental Activities
ASSETS	
Cash and investments	\$ 44,953
Cash and investments – restricted	18,549
Accounts Receivable - Storage Lot Rentals	7,240
Receivable - due from Buckhorn Valley Metro No 1	187,822
Property taxes receivable	1,409,900
Specific ownership taxes receivable	5,876
Prepaid expenses	2,740
Land	14,400
Total Assets	1,691,480
LIABILITIES	
Accounts payable and accrued liabilities	244,471
Prepaid storage lot fees	14,380
Accrued interest payable	8,707,433
Current portion bonds	3,598,000
General obligation refunding bonds	11,148,836
Total Liabilities	23,713,120
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	1,409,900
NET POSITION (DEFICIT)	
Restricted:	
Emergency reserves	5,300
Debt service	18,651
Capital projects	-
Non-spendable	2,740
Unassigned:	(23,458,231)
Net Position (Deficit)	\$ (23,431,540)

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

Buckhorn Valley Metropolitan District No 2
STATEMENT OF ACTIVITIES
For the 12-Month Period Ended
December 31, 2024

		Program Revenue			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Government Activities:					
General government activities	\$ (361,276)	\$ 22,204	\$ -	\$ -	\$ (339,072)
Interest and related costs on long-term debt	(1,500,260)		-	-	(1,500,260)
Capital project activities	-	-	-	-	-
	<u>\$ (1,861,536)</u>	<u>\$ 22,204</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,839,332)</u>
General Revenues					
Property taxes					1,298,427
Specific ownership taxes					63,031
Net investment income					19,439
Total general revenue					1,380,897
Change in net position					(458,435)
Net Position (Deficit) – Beginning of Year					(22,973,105)
Net Position (Deficit) – End of Year					\$ (23,431,540)

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

Buckhorn Valley Metropolitan District No 2
BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total Government Funds
ASSETS				
Cash and investments	\$ 44,953	\$ -	-	\$ 44,953
Cash and investments - Restricted	5,300	13,249	-	18,549
Interfund receivable	-	-	-	-
Specific ownership taxes receivable	474	5,402	-	5,876
Property taxes receivable	116,100	1,293,800	-	1,409,900
Storage lot fees receivable	7,240	-	-	7,240
Receivable due from BV Metro 1	187,822	-	-	187,822
Prepaid expenses	2,740	-	-	2,740
TOTAL ASSETS	364,629	1,312,451	-	1,677,080
LIABILITIES				
Accounts payable and accrued liabilities	244,471	-	-	244,471
Prepaid storage lot fees	14,380	-	-	14,380
Interfund payable	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Property tax revenue	116,100	1,293,800	-	1,409,900
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	374,951	1,293,800	-	1,668,751
FUND BALANCES				
Restricted:				
Emergencies (TABOR)	5,300	-	-	5,300
Debt service	-	18,651	-	18,651
Non-spendable	2,740	-	-	2,740
Unrestricted	(18,362)	-	-	(18,362)
Total Fund Balances	(10,322)	18,651	-	8,329
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 364,629	\$ 1,312,451	-	
Amounts reported for governmental activities in the statement of net position are different because:				
Other long-term assets are not available or otherwise cannot be converted to cash to pay for current expenditures and, therefore, are recorded as expenditures in the funds				
Land				14,400
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:				
Bonds payable				(14,746,836)
Accrued interest payable				(8,707,433)
Net position of governmental activities				\$ (23,431,540)

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

Buckhorn Valley Metropolitan District No 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
12-Month Period Ended
December 31, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total Government Funds
REVENUES				
Property taxes	\$ 104,659	\$ 1,193,768	\$ -	\$ 1,298,427
Specific ownership taxes	5,082	57,949	-	63,031
Storage lot rental fees	21,600	-	-	21,600
Other income	604	-	-	604
Net investment income	9,369	10,070	-	19,439
Total Revenues	141,314	1,261,787	-	1,403,101
EXPENDITURES				
General and administrative costs	20,584	79,798	-	100,382
Storage lot management fees	39,860	-	-	39,860
Litigation fees	300,832	-	-	300,832
Debt service				
Bond interest	-	1,166,816	-	1,166,816
Bond principal	-	-	-	-
Total Expenditures	361,276	1,246,614	-	1,607,890
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(219,962)	15,173	-	(204,789)
OTHER FINANCING SOURCES (USES)				
Fund Transfers In / (Out)	-	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING	(219,962)	15,173	-	(204,789)
FUND BALANCES – BEGINNING	209,640	3,478	-	213,118
FUND BALANCES – END OF YEAR	\$ (10,322)	\$ 18,651	\$ -	\$ 8,329

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

Buckhorn Valley Metropolitan District No 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
12-Month Period Ended
December 31, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances – Total government funds	\$	(204,789)
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The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal payment on bonds		-
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Increase in accrued bond interest payable		(253,646)
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Changes in net position of governmental activities	\$	(458,435)
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These financial statements should be read only in connection with
the accompanying notes to the financial statements.

Buckhorn Valley Metropolitan District No 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2024

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Property taxes	\$ 104,100	\$ 104,659	\$ 559
Specific ownership taxes	5,200	5,082	(118)
Net investment income	500	9,369	8,869
Irrigation service fees	370,300	-	(370,300)
Other income	-	604	604
Storage lot rental fees	24,000	21,600	(2,400)
Total Revenues	504,100	141,314	(362,786)
EXPENDITURES			
General and administrative costs	24,200	20,584	3,616
Irrigation services	226,000	-	226,000
Storage lot management fees	24,000	39,860	(15,860)
Litigation fees	77,400	300,832	(223,432)
Total Expenditures	351,600	361,276	(9,676)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	152,500	(219,962)	(372,462)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	(144,300)	-	144,300
Total Other Financing Sources (Uses)	(144,300)	-	144,300
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	8,200	(219,962)	(228,162)
FUND BALANCE – BEGINNING OF YEAR	317,000	209,640	(107,360)
FUND BALANCE – END OF YEAR	\$ 325,200	\$ (10,322)	\$ (335,522)

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

Buckhorn Valley Metropolitan District No 2
GENERAL FUND
EXPENDITURE DETAILS - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2024

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
GENERAL AND ADMINISTRATION			
District management and accounting fees	\$ 40,000	\$ 39,996	\$ 4
Administrative costs	3,000	1,462	1,538
Audit fees	7,500	8,500	(1,000)
Collection fees – County Treasurer	3,200	3,143	57
Board of Directors’ fees	-	-	-
Newsletters	2,500	-	2,500
Election services	-	-	-
Insurance	3,000	1,623	1,377
Legal fees	10,000	9,160	840
Indirect collection cost allocation	(49,000)	(43,300)	(5,700)
Miscellaneous costs	4,000	-	4,000
Total General and Administration	\$ 24,200	\$ 20,584	\$ 3,616
IRRIGATION SERVICES			
Collection fees - mgmt. co	15,000	-	15,000
Contractor maint. services	85,000	-	85,000
Insurance property	7,000	-	7,000
Water reserve/engineering/validation study	30,000	-	30,000
Sprinklers – water	12,000	-	12,000
Grounds improvements	50,000	-	50,000
Miscellaneous landscape costs	27,000	-	27,000
Total Irrigation Services	\$ 226,000	\$ -	\$ 226,000

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
12-Month Period Ended December 31, 2024

NOTE 1 – DEFINITION OF REPORTING ENTITY

Buckhorn Valley Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on May 15, 2000, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under a consolidated service plan (which also governs Buckhorn Valley Metropolitan District No. 1) approved by the Town of Gypsum (Town) on January 11, 2000 and amended and restated with Town approval on June 28, 2005 and July 14, 2009. The District's service area is located in Eagle County, Colorado entirely within the boundaries of the Town and is comprised of approximately 368 acres of land zoned for residential development. The District was established to provide financing for the design, acquisition, construction and installation of water, sanitation, street improvements, parks and recreational facilities, television relay and translation, mosquito control and other improvements (Public Improvements) within and without the District boundaries that benefit the taxpayers and inhabitants of the District. The District was created to provide certain essential public-purpose facilities for the use and benefit of all its anticipated residents and taxpayers of real property located within the boundaries of the District.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organizations elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organizations governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the District are as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred inflows and the sum of liabilities and deferred outflows of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit

from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

When both restricted and unassigned resources are available for use, it is the District's policy to use restricted resources first, then unassigned resources as they are needed.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. On October 23, 2023, the Board adopted the District's 2024 budget.

Actual expenditures in the General Fund exceeded budget amounts. This may be a violation of State law.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Investments are carried at net asset value.

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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Specific Ownership Taxes

Beginning in 1937, the State of Colorado began assessing a tax annually on motor vehicles (aka Specific Ownership Tax). The Specific Ownership Tax is graduated based on a vehicle's age and original value. Specific Ownership Tax revenue collected by the State is apportioned among the 64 counties based on the number of state highway miles within each county. Each county allocates its respective share of specific ownership tax revenue proportionally among the various property-taxing governmental entities on the basis of total property taxes assessed by each entity in relation to total property taxes assessed by all entities within the County. In 2024, the District's share of Specific ownership taxes was equal to approximately 4.4% of the property taxes collected.

Specific ownership tax is allocated proportionally between each fund based on the ratio of property tax revenue collected for each fund compared to total property revenue collected by the District.

Deferred Outflows of Resources and Deferred Inflows of Resources

A deferred inflow of resources is an acquisition of net position by a government that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by a government that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statement as revenues and expenses until the period(s) to which they relate. Deferred inflows of resources in the governmental fund financial statements of the District for the 12-month period ended December 31, 2024 are comprised of property taxes due from Eagle County that will not be collected within 60 days of the end of the current calendar year. Deferred inflows of resources in the government-wide financial statements represents property taxes for which an enforceable legal claim to assets exists, but for which the levy pertains to the subsequent year.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: non-spendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- **Non-spendable fund balance** – The portion of a fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts) or legally or contractually required to be maintained intact.
- **Restricted fund balance** – The portion of a fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- **Committed fund balance** – The portion of a fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- **Assigned fund balance** – The portion of a fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- **Unassigned fund balance** – The residual portion of a fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2024 are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments – unrestricted	\$	44,953
Cash and investments – restricted		18,549
Total cash and investments	\$	63,502

Cash and investments as of December 31, 2024 consist of the following:

Deposits with financial institutions	\$ 25,651
Investments	37,851
Total cash and investments	\$ 63,502

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2024, the District's cash held at financial institutions had a bank balance and a carrying balance of \$25,651.

Investments

The District has not adopted a formal investment policy. However, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those listed below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities, and the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse purchase agreements collateralized by certain authorized securities

- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2024, the District's investments were comprised of the following:

Investment	Maturity	Amortized Cost
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 37,851

CSAFE

The District holds investments in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. CSAFE measures its investments at amortized cost, which value is not materially different (less than 0.005% difference) than the fair value measurement of such investments. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption period notice. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. No limitations exist on the District's ability to withdraw funds invested in CSAFE. CSAFE is rated AAAM by Standard & Poor's.

NOTE 4 – PUBLIC LAND / FACILITIES

The District owns 17 open space land tracts comprising approximately 14.4 acres within the District and valued at a nominal \$1,000 per acre.

BVMD1 owns 6 land tracts within the District comprising approximately 67.7 acres of land and operates the following public infrastructure located within and without the District: (1) storm water detention ponds, (2) entryway monumentation and (3) the non-potable water system that irrigates the landscaping in the parks, open spaces and home lots. The non-potable irrigation system includes (1) two pump stations, (2) approximately 1.9 miles of surface water ditches, (3) approximately 6 miles of transport pipelines, (4) a 5.5 acre reservoir, (5) underground water main lines, (6) sprinkler systems and (7) an irrigation zone controller system. BVMD1 also owns water rights to draw water from Eagle River, Abram's Creek and Hernage Creek to supply the non-potable water irrigation system.

A significant portion of the public infrastructure and water rights owned by BVMD1 was funded from the proceeds of debt issued by the District, fees paid by District property owners directly to BVMD1 and property tax revenue contributions from the District.

NOTE 5 – LONG-TERM DEBT

The following is a summary of the changes in the District's long-term debt for the 12-month period ended December 31, 2024:

	Balance at Dec. 31, 2023	Additions	Retirements	Balance at Dec. 31, 2024	Due within one year
General obligation bonds:					
Series 2003 Bonds	\$ 2,055,000	\$ -	\$ -	\$ 2,055,000	\$2,055,000
Series 2008 Subordinate Bonds	5,448,836	-	-	5,448,836	5,448,836
Series 2010 Bonds	7,243,000	-	-	7,243,000	1,543,000
Accrued Interest:					
Series 2003 Bonds	848,225	203,226	(221,674)	829,777	829,777
Series 2008 Subordinate Bonds	4,172,467	326,930	-	4,499,397	4,499,398
Series 2010 Bonds	3,433,094	890,306	(945,142)	3,378,258	3,378,258
Total	\$ 23,200,622	\$1,412,000	(\$1,166,816)	\$ 23,454,268	\$ 17,754,269

Details regarding the District's long-term obligations are as follows:

Series 2003 Limited Tax General Obligation Bonds (Series 2003 Bonds)

On March 1, 2003, the District issued Limited Tax General Obligation Bonds, Series 2003 in the amount of \$2,500,000 with a stated interest rate of 7.00% and a maturity date of December 1, 2023. Interest payments on the Series 2003 Bonds are due and payable semi-annually on June 1 and December 1, beginning on June 1, 2003. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2012.

Amounts on deposit in the 2003 Reserve Fund secures payment of the Series 2003 Bonds. After payment of any amounts due on the Series 2003 Bonds, any remaining Senior Pledged Revenue (defined below), if any, is to be used to (1) fund the 2003 Reserve Fund up to the Reserve Requirement of \$250,000. Any Senior Pledged Revenue remaining after fully funding the 2003 Reserve Fund ("Excess Senior Pledged Revenue") is to be applied towards the repayment of the Subordinate Bonds. As of December 31, 2024, the cash balance held in the 2003 Reserve Fund was \$0.

Series 2010 Limited Tax Refunding and Improvement Bonds (Series 2010 Bonds)

On May 25, 2010, the District issued Limited Tax Refunding and Improvement Bonds, Series 2010 in the amount of \$7,370,000. The Series 2010 Bonds is comprised of two term bonds. One term bond was issued for \$1,500,000 at an annual interest rate of 7.25% and is due December 1, 2024. The second term bond was issued for \$5,870,000 at an annual interest rate of 8.50% and is due December 1, 2039. Interest payments on the Series 2010 Bonds are due and payable semi-annually on June 1 and December 1, beginning on June 1, 2003. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2012.

Amounts on deposit in the Series 2010 Reserve Fund and 2010 Surplus Fund secures payment of the Series 2010 Bonds. After payment of any amounts due on the Series 2003 Bonds, any remaining Senior Pledged Revenue (defined below), if any, is to be used to fund (1) the 2010 Surplus Fund up to the Maximum Surplus Amount of \$500,000 and then (2) the 2010 Reserve Fund up to the 2010 Reserve Requirement of \$300,000. Any Senior Pledged Revenue remaining after fully funding the 2010 Reserve Fund and 2010 Surplus Fund ("Excess Senior Pledged Revenue") is to be applied towards the repayment of the Subordinate Bonds. As of December 31, 2024, the cash balance held in the 2010 Reserve Fund and 2010 Surplus Fund was \$0 and \$0, respectively.

Outstanding bond principal and interest on the Series 2010 Bonds mature as follows:

	Principal	Interest	Total
2025	\$ 1,543,000	\$ 4,281,065	\$ 5,824,065
2026	185,000	484,500	669,500
2027	200,000	468,775	668,775
2028	215,000	451,775	666,775
2029	235,000	1,915,475	668,500
2030-2034	1,930,000	1,770,550	3,700,550
2035-2039	2,935,000	787,950	3,722,950
Total	\$ 7,243,000	\$ 8,678,115	\$ 15,921,115

Repayment Terms - Series 2003 Bonds and Series 2010 Bonds

The Series 2010 Bonds were issued on a parity basis to the District's Series 2003 Bonds.

The Series 2003 Bonds and the Series 2010 Bonds (Senior Bonds) are secured by and payable solely from "Senior Pledged Revenue", net of any costs of collection, which is comprised of the following:

- a) all Senior Property Tax Revenues (generated by the imposition of the Senior Required Mill Levy);
- b) all Senior Specific Ownership Taxes (attributable to the Senior Required Mill Levy); and
- c) any other legally available amounts that the District may designate towards payment of the Senior Bonds.

Per the Limited Offering Memorandums for the Senior Bonds, the "Senior Required Mill Levy" is defined as a mill levy – subject to the limitations of a Maximum Debt Mill Levy and Minimum Debt Mill Levy – that is permitted to be imposed on all taxable property within the District that produces sufficient revenue to pay the principal and interest due on the Series 2003 Bonds and ensures the 2003 Reserve Fund, 2010 Reserve Fund and the 2010 Surplus Fund are fully funded. The Minimum Debt Mill Levy is 35 mills. The Maximum Debt Mill Levy is 40 mills - as adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since January 11, 2000 – at which time, the ratio was 9.74%. The ratio for the 2024 collection year was 6.70%, which caused the District's Maximum Debt Mill Levy for 2024 to be 58.149.

If Senior Pledged Revenue is insufficient in any year to fund the principal and interest payments due on the Senior Bonds, the Senior Pledged Revenue is allocated between the Series 2003 and Series 2010 bonds

The Senior Bonds are subject to redemption prior to maturity, at the option of the District without any redemption premium. The District's detail debt service schedule for its Senior Bonds is provided on page 28.

Events of Default – Series 2003 and Series 2010 Bonds

The following events are considered events of default under the respective Series 2003 and Series 2010 bond resolutions: (1) the District fails to pay principal and interest payments when due; (2) the District fails to impose the Required Mill Levy or the Minimum Mill Levy in accordance with the Series 2003 bond resolution, (3) the District fails to collect and apply the revenue in accordance with the terms of the Series 2003 bond resolution, (4) the District defaults in the performance of any of the covenants in the Series 2003 bond resolution and such default continues for 60 days after receiving written notice of such default by the bondholders or (4) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the debt represented by the Bonds. Available remedies for an Event of Default are (1) initiating a lawsuit against the District and (2) compelling the District to cure the default via mandamus or any other suit, action, or proceeding at law or in equity.

Series 2008 Subordinate Limited Tax General Obligation Bonds (Subordinate Bonds)

On February 13, 2008, the District issued Subordinate Limited Tax General Obligation Bonds, Series 2008 in the amount of \$8,500,000. The stated interest rate on the Subordinate Bonds is 6.00% (simple interest) per annum, and the Bonds are payable annually on December 15, beginning December 15, 2008, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 1, 2038. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date.

The Subordinate Bonds are secured by and payable from Subordinate Pledged Revenue, net of any costs of collection, which includes:

- a) all Subordinate Property Taxes (generated by the imposition of the Required Subordinate Mill Levy);
- b) all Subordinate Specific Ownership Taxes (attributable to the Required Subordinate Mill Levy);
- c) any Excess Senior Pledged Revenue; and
- d) any other legally available amounts that the District may designate towards payment of the Subordinate Bonds.

The Required Subordinate Mill Levy is defined as a mill levy that is permitted to be imposed on all taxable property within the District that produces sufficient revenue to pay the principal and interest due on the Series 2008 Subordinate Bonds. The Required Subordinate Mill Levy is 35 mills - as adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since February 13, 2008 – at which time, the ratio was 7.96%. The ratio for the 2024 collection year was 6.70%, which caused the District's Required Subordinate Mill Levy for 2024 to be 41.582. As long as the Senior Bonds remain outstanding, the Required Subordinate Mill Levy cannot exceed the difference between the Maximum Debt Mill Levy less the Senior Required Mill Levy. For 2024, the difference between the Maximum Debt Mill Levy less the Senior Required Mill Levy was 0.000 mills. Thus, the Required Subordinate Mill Levy for 2024 was 0.000 mills.

After providing 30 days' notice to the bondholders, the District may redeem in part or in total the Subordinate Bonds prior to maturity without penalty or payment a redemption premium to the bondholders.

Events of Default – Series 2008 Subordinate Bonds

The following events are considered events of default under the 2008 Subordinate bond resolution: (1) the District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Bond Resolution and fails to remedy the same within 60 days after receiving written notice thereof from the Bond Owners or (2) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds. Failure to pay interest on the 2008 Bonds when due shall not, of itself, constitute an Event of Default. Available remedies for an Event of Default are (1) initiating a lawsuit against the District and (2) compelling the District to cure the default via mandamus or any other suit, action, or proceeding at law or in equity.

Debt Authorization – TABOR

As of December 31, 2024, the District is prohibited from issuing any additional debt (other than refinancing existing debt that would generate a net cost saving to the homeowners) without first obtaining authorization from the District's voters in compliance with TABOR.

Debt Authorization – Service Plan

The District's Service Plan authorizes the District to issue up to \$26 million in debt and establishes a Maximum Mill Levy, subject to certain conditions and restrictions, the District is permitted to impose on taxable property within the District for the payment of debt. The Maximum Debt Mill Levy is 40 mills, as adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since August 21, 2000 – at which time, the ratio was 9.74%. The ratio for the 2024 collection year was 6.70%, which caused the District's Maximum Debt Mill Levy for 2024 to be 58.149.

As of December 31, 2024, total remaining debt issuance authorization under the District's 2009 Amended Service Plan is as follows:

Authorized maximum debt issuance per Service Plan	\$ 26,000,000
Less:	
Series 2007 G.O. Bonds	(2,500,000)
Series 2008 Subordinate G.O. Bonds	(8,500,000)
Series 2010 G.O. Bonds	(7,370,000)
Unused, authorized debt issuance	\$ 7,630,000

Regardless of any remaining unused, authorized debt allowed under the District's service plan, Article X Section 20 of the Colorado Constitution ("Taxpayer's Bill of Rights" or TABOR) requires the eligible electors of the District vote to approve authorizing the District to issue additional debt.

NOTE 6 – NET POSITION (DEFICIT)

Restricted Net Position

The District's restricted net position as of December 31, 2024 in the general fund, debt service fund and capital project fund totaled \$5,300, \$18,651 and \$0, respectively. The restricted net position within the general fund is due to spending restrictions established by TABOR. See Note 10 for further details. The restricted net position within the debt service fund is comprised of funds that are restricted to servicing the District's debt.

Non-Spendable Net Position

The District's non-spendable net position as of December 31, 2024 in the general fund, debt service fund and capital project fund totaled \$2,740, \$0 and \$0, respectively.

Unassigned Net Position

The District's unassigned net position as of December 31, 2024 totaled (\$23,458,232). This deficit amount was a result of the District being responsible for the repayment of bonds issued to fund public improvements conveyed to the Town of Gypsum, BVMD1 and other entities.

NOTE 7 – CONTRACTUAL AGREEMENTS

District Facilities Construction and Service Agreement (DFCSA)

On March 3, 2003, the District entered into The First Amended and Restated District Facilities Construction and Service Agreement with BVMD1. At the time the DFCSA was executed, the directors on both the District's board and the

directors on BVMD1's board were the same individuals and all individuals reported conflicts of interest due to their employee/owner/spouse relationship with the company that owned all land within the District's boundaries. The DFCSA contains clauses that state the obligations imposed upon the District are "absolute, irrevocable and unconditional" and the District agrees to "...not assert any rights of setoff, counterclaim, estoppel, or other defenses to its payment obligations..." under the DFCSA. The DFCSA can be terminated by the District upon providing BVMD1 one year's advance notice and upon the District paying BVMD1 in full all accrued Service Costs and Capital Service Costs claimed to have been incurred by BVMD1. Otherwise, the DFCSA cannot be terminated without the District obtaining the consent of BVMD1. The directors on BVMD1 are not subject to election or recall by the taxpayers of the District, who constitute the sole source of funding for the DFCSA.

Other terms of the DFCSA include the following:

- Per section 6.2.g, the District agrees to not attempt to provide any public services or facilities to the residents of the District until it first allows BVMD1 the opportunity to provide such services and public facilities to such individuals (all of whom reside outside of BVMD1's boundaries);
- Per section 6.2.g, the District agrees to not exercise any revenue raising powers generally granted to all metro districts under Colorado statutes (CRS 32-1-1001(j)) without first obtaining the consent of BVMD1;
- Per section 6.2.h, the District agrees to allow BVMD1 to change service fees charged by BVMD1 to District residents without obtaining consent from the District;
- Per section 5.7d, the District relinquishes its taxation powers over all property within the District's boundaries to BVMD1 – which is controlled by a board of directors, none of whom are subject to election or recall by those who reside within or otherwise pay taxes to the District.
- Per section 3.8, the District agrees to pay all BVMD1 claims accrued under the DFCSA even if any court declares the DFCSA invalid due to failures by the BVMD1 board to disclose conflicts of interest in compliance with applicable Colorado disclosure laws.

Per the terms of the DFCSA, the District agreed to levy a Maximum Mill Levy (defined below) annually on all property within the District and remit the proceeds from the Maximum Mill Levy plus any other funds collected by the District to BVMD1. Amounts remitted by the District to BVMD1 are to be maintained and tracked by BVMD1 in two separate accounts – a Service Account and a Construction Account. BVMD1 has the sole authority to withdraw cash from the Service Account and Capital Fund Account to fund Service Costs and Capital Costs, respectively.

Services to be provided by BVMD1 to the District (i.e. Service Costs incurred by BVMD1) include the following: (1) maintenance and storage of District records, (2) administrative support services, (3) accounting and financial statement preparation services, (4) board election services, (5) prepare the District's annual budget, (6) contract and bid management services and (7) cash management services.

Capital Costs incurred by BVMD1 related to the construction of public facilities within the District will be charged to the Construction account, which is owned by the District but managed by BVMD1 and funded from the net proceeds of the District's Maximum Mill Levy. Capital Costs are defined as the cost to construct public facilities identified in the District's service plan and such costs include "...design, engineering, construction, expansion, acquisition, maintenance, repair and replacement of public facilities and all appurtenances thereto necessary or convenient to the completion, use and operation of the Facilities."

The DFCSA defines the Maximum Mill Levy as 50 mills, as adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since January 01, 2000 – at which time, the ratio was 9.74%. The ratio for the 2024 collection year was 6.70%, which causes the District’s Maximum Debt Mill Levy applicable to the DFCSA for 2024 to be 72.686. Per section 3.2c of the DFCSA, revenue to be transferred to BVMD1 from the Maximum Mill Levy is net of principal and interest payments due on any bonds issued by the District.

Each year subsequent to the issuance of the District’s 2008 Bonds, the District has failed to generate sufficient property tax revenue under the maximum debt mill levy of 50 mills (as adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since January 01, 2000) to pay in full the accruing interest on all District debt. Thus, the District has only transferred amounts to BVMD1 from its general fund each year since 2008 as follows:

Cash Payments to BVMD1 Under DFCSA							
Year		Year		Year		Year	
2008	\$ 205,142	2013	\$ 40,280	2018	\$ 58,284	2023	\$ -
2009	61,334	2014	30,112	2019	63,218	2024	-
2010	112,685	2015	30,626	2020	73,873		
2011	121,244	2016	41,835	2021	35,161		
2012	50,954	2017	44,553	2022	-		
						Total	\$ 969,301

Note: No cash transfers out of the District’s general fund to BVMD1 occurred prior to 2008.

Per the DFCSA, amounts due from the District to BVMD1 each year under the DFCSA are considered contractual general obligation debt of the District and not considered general obligation debt subject to the borrowing limitations provided in the District’s service plan.

The following is an analysis of the changes in the District’s Service Account and Construction Account for the 12-month period ended December 31, 2024:

	Service Account	Construction Account [A]
Balance at December 31, 2023	\$ 187,822	\$ -
Cash payments to BVMD1	-	-
Net Service Costs incurred by BVMD1	-	-
Accrued interest	-	-
Balance at December 31, 2024	\$ 187,822	\$ -

Note A – As of December 31, 2020, District 1 claimed it was owed \$3,889,366 from the District under the DFSCA, which was comprised of accrued, unpaid interest under a Construction Loan Agreement (“CL Agreement”) dated July 20, 2000, as amended on December 07, 2007, between District 1 and Roark Partners, LLLP (Roark). Per an August 29, 2008 agreement between Roark and Buckhorn Valley Development, LLC (“BVD”), Roark assigned its claims against District 1 under the CL Agreement to BVD. The CL Agreement allowed District 1 to borrow up to \$9 million from Roark (which was subsequently replaced by BVD) and such CL Agreement was subject to annual renewal. A Funding Agreement Note documented the obligation created under the CL Agreement between District 1 and BVD was originally dated August 29, 2008 and matured on December 31, 2008. Per the Terms of the CL Agreement, (1) any funds borrowed by District 1 under the CL Agreement each year would be added to the balance owed under the Funding Agreement Note (which accrues compounding interest at 7% per annum) and (2) the Funding Agreement Note would mature at the end of the then current year with an option for District 1 to issue a new 12-month term Funding Agreement Note that pays off the old Funding Agreement Note. Both the Funding Agreement Note and CL Agreement were renewed annually by the

District Board through 2010 but neither the Funding Agreement Note nor the CL Agreement were renewed by the District 1 Board beginning in 2011. Due to the termination of the Note and CL Agreement between District 1 and BVD, District 1 no longer owed accrued, unpaid interest to BVD and District 1 no longer had reimbursement claims against the District under the DFSCA for interest owed by District 1 to BVD.

Advance and Reimbursement and Facilities Acquisition Agreement

On January 13, 2009, the District entered into an Advance and Reimbursement and Facilities Acquisition Agreement (ARFAA) with BVMD1 and BV Development. Per the ARFAA, BV Development agreed to advance cash to fund the organization of the Districts and to fund the maintenance and operating costs on BVMD1 and the District. Both BVMD1 and the District agreed to reimburse BV Development for such cash advances plus interest at a compounding rate of 8% per annum on such advances.

ALL BV Development claims accrued under the ARFAA are subordinate to any bonded indebtedness of the District now in existence or hereafter created and shall be subject to the limitations of the District's Service Plan. The payment of claims under the ARFAA are subject to annual appropriation by the Board of Directors of the District in its sole discretion, and the terms and conditions of the ARFAA shall not be construed as a multiple-fiscal year direct or indirect District debt or other financial obligation within the meaning of Article X, Section 20 of the Colorado Constitution.

As of December 31, 2024, no outstanding, unpaid claims due to BV Development exist under the ARFAA. The ARFAA was cancelled subsequent to year end. See Note 12.

Land Lease Agreement / Storage Lot

Beginning in 2019, the District converted a 2.1 acre land tract into a recreational vehicle storage lot and began leasing 35 storage spaces to various private parties. Storage spaces are rented out at the rate of \$40/month per storage space.

The District contracted with S&C Storage to manage all aspects of the storage lot including supervision and monitoring of the lot, managing the lease and lease renewal process, enforcing storage lot rules and regulations on storage lot leasees, marketing storage lot leasing services to the general public and managing the administrative and accounting functions related to providing storage lot leasing services. The Management Contract is renewable annually at the option of the District and was automatically renewed on January 01, 2024 for another 12-month period.

For the 12-month period ended December 31, 2024, the District earned \$21,600 in lease fee income.

NOTE 8 – RELATED PARTIES

For the 12-month period ended December 31, 2024, none of the directors serving on the District's Board reported conflicts of interest regarding their public service on the Board.

The boundaries of BVMD1 is comprised entirely of one single family home lot (11 Bridger Drive), which is located within the boundaries of the District. BVMD1 also owns 6 land tracts within the District comprising approximately 67.7 acres of land.

All directors that served on the BVMD1 board had direct and/or indirect financial conflicts of interest regarding their service on BVMD1 board.

Buckhorn Valley Development, LLC (BV Development) – which is a party to the 2009 Advance and Reimbursement and Facilities Acquisition Agreement – is managed by John Hill, a director serving on BVMD1 and a former director that served on the District's board through June 2021.

Two directors serving on the BVMD1 board also serve as directors on two (Mountain Gateway at Buckhorn Valley Owners Association, Inc and Hawksnest at Buckhorn Valley Association, Inc) of the five HOAs that provide services to residents within the District's boundaries.

In 2003, when the First Amended and Restated District Facilities Construction and Service Agreement was entered into between the District and BVMD1, the same individuals served as directors on the boards of both districts and all such directors reported conflicts of interest regarding their service on each district's board.

In 2009, when the Advance and Reimbursement and Facilities Acquisition Agreement was entered into between the District and BV Development, the same individuals served as directors on the boards of both districts and all such directors reported conflicts of interest regarding their service on each district's board.

The District's Series 2008 Subordinate Bonds are owned by David Garton, Jr., who served as a director on the BVMD1 board until approximately July 2022 and formerly served on the District's board since the District's inception (May 2000) through June 2021.

NOTE 9 – RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 – TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution—referred to as the Taxpayer's Bill of Rights (TABOR)—contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 7, 2000, the District's six electors (all of whom were employees/owners or spouses of employees/owners of and qualified to vote by the company owning all land within the District at that time) unanimously voted to authorize the District to assess property taxes at no more than \$500,000 annually, without limitation to rate, to pay the District's operations, maintenance and other expenses. Additionally, the District's electors voted unanimously to approve a revenue change to allow the District to retain and spend up to \$250,000 from revenue sources other than ad valorem taxes.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). TABOR prohibits the District from using its emergency reserves to compensate for economic conditions and revenue shortfalls.

TABOR is complex and subject to legal interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.

NOTE 11 – LITIGATION

On November 01, 2022, the District filed a lawsuit in Colorado’s District Court located in Eagle County against BVMD1 and 13 individuals who previously served on the District’s board at various times between May 2000 and June 2021. The District’s claims for relief are as follows:

- 1) Declare the 2003 Agreement between the District and BVMD1 invalid;
- 2) Compel BVMD1 to provide a full accounting of how the District’s property tax and other revenues was spent by BVMD1 - especially in regards to \$211,964 in unspent District funds reported by BVMD1 (for which BVMD1 also reports related cash balances significantly lower than \$211,964);
- 3) Restore to the District all public funds transferred from the District to BVMD1 and misused by BVMD1 for other than valid public purposes;
- 4) Disgorge all personal financial benefits realized from the misuse of the District’s property tax and other public revenues by former directors who served on the District’s board and by directors who served on BVMD1’s board;
- 5) Reverse the actions of the BVMD1 board (the members of which have conflicts of interest through business relationships and/or employment relationships with BV Firewheel) to forgive a significant portion of unpaid water fees owed by BV Firewheel to BVMD1; and
- 6) Invalidate recent changes to water rates set by the BVMD1 Board and paid by all property owners within the District.

In February 2023, BVMD1 filed in District Court counterclaims against the District claiming (1) the District breached the 2003 Agreement and (2) the District’s actions are in violation of its Service Plan. BVMD1 also requested District Court grant BVMD1 injunctive relief and place the District under a court-appointed receiver. District Court denied BVMD1’s requested relief and BVMD1’s request to place the District under receivership.

In July 2023, District Court dismissed the District’s claims against the 13 individuals but denied BVMD1’s motion to dismiss the District’s claims against BVMD1.

A jury trial was held the week of June 24th. As a result of that trial, Eagle County District Court issued a ruling on July 11, 2024 stating (1) the DFSCA is a valid agreement, (2) District 1 breached the DFSCA, (3) damages totaling \$494,507 was awarded to the District against District 1 due to District 1’s breach of the DFSCA and (4) District 1’s counterclaim that the District breached the DFSCA by terminating the DFSCA and not remitting funds to District 1 per the terms of the DFSCA was denied.

On August 22, 2024, the District filed a notice of appeal regarding District Court’s rulings that (1) the Colorado Governmental Immunity Act applied to the 13 individuals against whom the District had filed claims and (2) the DFSCA did not violate the Special District Act (Title 32).

NOTE 12 – SUBSEQUENT EVENTS

On June 04, 2025, the District entered into a settlement agreement with BVMD1 whereby both parties agreed to enter into an amended and restated DFCSA and both parties agreed to bear their own costs and attorney fees related to the litigation that existed between the two parties. In addition, both parties agreed to release and discharge all claims against each other – including the \$494,507 award granted by District Court to the District against BVMD1 – and the District and BVMD1 mutually agreed to dismiss all remaining unresolved litigation claims that remain with District Court. The ARFAA was also effectively cancelled through this settlement agreement. The District also agreed to dismiss all claims filed in Colorado Court of Appeals against BVMD1.

On June 03, 2025, the District entered into a settlement agreement with David Garton Jr whereby (1) the District agreed to release and discharge all of its claims against David Garton, Jr., Sande Garton, Robert Kingston, Mallie Kingston, Samantha Gale, Stephen Kelley, Scott Green, John Hill, Gayl Hill, and Anna Maria Ray (“Individuals”) and (2) David Garton, Jr. agreed to accept \$1 million in cash in exchange for settling in full all outstanding principal and accrued interest (totaling \$10,086,171 as of June 03, 2025) on the 2008 bonds. The District and the Individuals also agreed to (1) bear their own costs and attorney fees related to the litigation and (2) unconditionally release each other from any and all claims and future claims against each party that are in any way related to the lawsuit.

On June 04, 2025, the District, BVMD1 and (as a third-party beneficiary) BV Firewheel entered into an amended and restated DFCSA (“DFCSA2”). Key terms of the DFCSA2 include the following:

- The District agreed to remit to BVMD1 no less than \$75,000 from the proceeds of a planned refinancing of the District’s debt in 2025 and such proceeds are to be used by BVMD1 for the purpose of funding repairs to the BVMD1 Irrigation System;
- Beginning in 2025, the District will create an enterprise fund for the purpose of holding funds that are dedicated to funding the maintenance and operation of the Irrigation System;
- On the first 142 of the remaining 381 undeveloped lots within the District, the District will levy a facility fee at the rate of \$2,750 per lot on 72 multi-family home lots (Village at Buckhorn), \$4,500 per lot on 30 single family home lots (Village at Buckhorn) and \$4,175 per lot on single family home lots (Phase 9 and Phase 10), which amounts to \$500,000 in total facility fee revenue – all of which is pledged by the District to the repayment of the District’s outstanding debt. The fee is due to the District at the time of either (1) a lot is sold by BV Firewheel to a third party or (2) a certificate of occupancy is issued on the lot.
- On the remaining 239 of the 381 undeveloped lots within the District, the District will levy a facility fee at the rate of \$10,000 per lot, which amounts to \$2,390,000 in total facility fee revenue – all of which is pledged by the District to the repayment of the District’s outstanding debt. The fee is due to the District at the time of either (1) a lot is sold by BV Firewheel to a third party or (2) a certificate of occupancy is issued on the lot.
- On the remaining 239 of the 381 undeveloped lots within the District, the District will levy a capital fee at the rate of \$5,000 per lot, which amounts to \$1,195,000 in total capital fee revenue – all of which is to be deposited into the District’s enterprise fund. The fee is due to the District at the time of either (1) a lot is sold by BV Firewheel to a third party or (2) a certificate of occupancy is issued on the lot.

- Beginning in 2026, the District will assume ownership and maintenance responsibilities from BVMD1 of 67.66 acres of open space located within the District.
- Beginning in 2027, BVMD1 shall assign to the District BVMD1's membership in the Eagle River Pump Station Operations & Maintenance Agreement, and the District's President shall be appointed to replace the BVMD1 board member as representative on the board of directors of the Eagle River Pump Station Corporation, Inc. The District will also assume the employment of BVMD1's employees (currently one full time and one part-time employee) who maintain the Irrigation System.
- Beginning January 01, 2028, the District will assume ownership and management of the Irrigation System from BVMD1, which will include (1) levying operations fees and/or additional property taxes to fund the operation of the Irrigation System and (2) maintaining and operating the Irrigation System. BVMD1 will no longer levy operations fees on the property owners in the District as of January 01, 2028. The District will also begin to remit annually to BVMD1 sufficient funds to allow BVMD1 to perform its basic government functions.
- BVMD1 will be dissolved upon the earlier of either (1) the full payoff of the District's bond debt or (2) completion of the development of the remaining 381 lots within the District. Until the dissolution of BVMD1 occurs, BVMD1 will hold all water rights acquired by BVMD1 on February 20, 2008 pertaining to the Irrigation System.

SUPPLEMENTARY INFORMATION

Buckhorn Valley Metropolitan District No 2
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2024

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Property taxes	\$ 1,187,300	\$ 1,193,768	\$ 6,468
Specific ownership taxes	59,400	57,949	(1,451)
Net investment income	11,000	10,070	(930)
Total Revenues	1,257,700	1,261,787	4,087
EXPENDITURES			
Direct and indirect collection costs	87,200	79,798	7,402
Debt service			
Bond interest	1,193,900	1,166,816	27,084
Bond principal	-	-	-
Total Expenditures	1,281,100	1,246,614	34,486
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(23,400)	15,173	38,573
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(23,400)	15,173	38,573
FUND BALANCE – BEGINNING	28,400	3,478	(24,922)
FUND BALANCE – END OF YEAR	\$ 5,000	\$ 18,651	\$ 13,651

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

Buckhorn Valley Metropolitan District No 2
DEBT SERVICE FUND
COLLECTION COST DETAILS - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2024

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
DIRECT AND INDIRECT COLLECTION COSTS			
Indirect collection cost allocation	\$ 49,000	\$ 43,300	\$ 5,700
Administrative costs	-	-	-
Collection fees – County Treasurer	35,700	35,848	(148)
Legal fees	-	-	-
Bond paying agent fees	500	650	(150)
Miscellaneous costs	2,000	-	2,000
Total Direct and Indirect Collection Costs	\$ 87,200	\$ 79,798	\$ 7,402

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

Buckhorn Valley Metropolitan District No 2
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2024

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Net investment income	\$ -	\$ -	\$ -
Other	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Fund management costs	-	-	-
Capital projects			
Major capital projects	30,000	-	30,000
Total Expenditures	<u>30,000</u>	<u>-</u>	<u>30,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(30,000)</u>	<u>-</u>	<u>(30,000)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	144,300	-	144,300
Total Other Financing Sources (Uses)	<u>144,300</u>	<u>-</u>	<u>144,300</u>
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER	<u>114,300</u>	<u>-</u>	<u>114,300</u>
FUND BALANCE – BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE – END OF YEAR	<u><u>\$ 114,300</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 114,300</u></u>

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2024

The District's repayment schedule for its general obligation bonds is as follows:

Year Ended Dec. 31,	General Obligation Bonds Series 2003			General Obligation Bonds Series 2010			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 2,055,000	\$ 1,031,711	\$ 3,086,711	\$ 1,543,000	\$ 4,281,065	\$ 5,824,065	\$ 3,598,000	\$ 5,312,776	\$ 8,910,776
2026	-	-	-	185,000	484,500	669,500	185,000	484,500	669,500
2027	-	-	-	200,000	468,775	668,775	200,000	468,775	668,775
2028	-	-	-	215,000	451,775	666,775	215,000	451,775	666,775
2029	-	-	-	235,000	433,500	668,500	235,000	433,500	668,500
2030	-	-	-	315,000	413,525	728,525	315,000	413,525	728,525
2031	-	-	-	350,000	386,750	736,750	350,000	386,750	736,750
2032	-	-	-	380,000	357,000	737,000	380,000	357,000	737,000
2033	-	-	-	425,000	324,700	749,700	425,000	324,700	749,700
2034	-	-	-	460,000	288,575	748,575	460,000	288,575	748,575
2035	-	-	-	500,000	249,475	749,475	500,000	249,475	749,475
2036	-	-	-	535,000	206,975	741,975	535,000	206,975	741,975
2037	-	-	-	585,000	161,500	746,500	585,000	161,500	746,500
2038	-	-	-	630,000	111,775	741,775	630,000	111,775	741,775
2039	-	-	-	685,000	58,225	743,225	685,000	58,225	743,225
	\$ 2,055,000	\$ 1,031,711	\$ 3,086,711	\$ 7,243,000	\$ 8,678,115	\$ 15,921,115	\$ 9,298,000	\$ 9,709,826	\$ 19,007,826

Interest is payable each year on June 1st and December 1st, and principal payments are due each year on December 1st. No debt to maturity schedule has been provided for the 2008 Subordinate Bonds because amounts are payable from subordinate pledged revenue, which may or may not be sufficient to make debt service payments when due. The District may redeem the Series 2003, 2008 and 2010 bonds at any time without paying a redemption premium to the bond holders.

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
**SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED**
December 31, 2024

Year Ended December 31,	Prior Year Assessed Valuation for Current Year tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		Operations	Debt	Levied	Collected (Note A)	
2018	\$ 8,891,560	6.764	54.111	\$ 540,608	\$ 540,608	100.0%
2019	9,629,890	6.764	54.111	586,354	586,354	100.0%
2020	11,179,950	6.811	54.490	685,300	685,148	100.0%
2021	12,485,990	6.811	54.488	765,300	765,273	100.0%
2022	13,851,090	6.810	54.489	849,000	849,242	100.0%
2023	14,171,560	7.000	56.057	893,600	893,804	100.0%
2024	20,418,930	5.098	58.149	1,291,400	1,298,427	100.5%
2025	21,244,620	5.465	60.902	1,409,900	[TBD]	[TBD]

NOTE A: Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years.

OTHER SUPPLEMENTARY INFORMATION

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
CHANGE IN TOTAL OVERLAPPING MILL LEVY
December 31, 2024

	2023 Mill Levy *	2024 Mill Levy **	Change
Buckhorn Valley Metropolitan District No. 2	63.247	59.727	3.520
Eagle County School District	22.317	19.452	2.865
Eagle County	8.399	7.686	0.713
Gypsum Fire Protection District	11.084	8.885	2.199
Town of Gypsum	3.943	4.584	(0.641)
Colorado Mountain College	2.977	2.907	0.070
Mountain Recreation Metro District	3.550	3.285	0.265
Eagle Valley Library District	1.913	2.487	(0.574)
Eagle County Health Service District	2.753	2.495	0.258
Colorado River Water Conservation District	0.500	0.451	0.049
Cedar Hill Cemetery District	0.370	0.441	(0.071)
Total Mill Levy (Tax Area 459)	121.053	112.400	8.653

* -- For property tax collections in 2024

** -- For property tax collections in 2025

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2

HISTORICAL DEBT RATIOS

December 31, 2024

	2019	2020	2022	2023	2024
General Obligation Bonds	\$ 14,746,836	\$ 14,746,836	\$ 14,746,836	\$ 14,746,836	\$ 14,746,836
Accrued, unpaid interest - Bonds	\$ 6,535,196	\$ 7,172,781	\$ 7,836,409	\$ 8,453,786	\$ 8,707,433
Restricted Cash in Bond Funds	(\$ 4,642)	\$ -	\$ -	(\$ 35,720)	(\$ 1,497)
Combined assessed property values within the District	\$12,485,990	\$ 13,851,090	\$14,171,560	\$ 20,418,930	\$ 21,244,620
Ratio of debt to assessed property values	170.4%	158.3%	159.4%	113.4%	110.4%

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APPENDIX B

SELECTED DEFINITIONS

The following capitalized terms have the respective meanings set forth in the Bond Resolution and this Official Statement, unless the context indicates otherwise.

“Authorized Denomination” means \$5,000 in principal amount or any integral multiple thereof.

“Authorized Officer” means any member of the Board, which individuals are authorized to sign any and all agreements, documents and certificates with respect to the issuance and delivery of the Bonds.

“Bank” means Zions Bancorporation, N.A., Denver, Colorado, or its successor, a national banking association duly organized and existing under the laws of the United States of America, being a member of the Federal Deposit Insurance Corporation, and having full and complete trust powers.

“Board” means the Board of Directors of the District.

“Bond Account” means the account established and designated as such in the section of the Resolution entitled “Bond Account” for the purpose of paying the principal of, premium if any, and interest on the Bonds.

“Bond Counsel” means (a) as of the date of issuance of the Bonds, Kutak Rock LLP, and (b) as of any other date, Kutak Rock LLP or such other attorneys selected by the District with nationally recognized expertise in the issuance of municipal bonds.

“Bond Insurance Policy” means the financial guaranty Bond Insurance Policy issued by the Bond Insurer pursuant to the Commitment insuring the payment when due of the principal of and interest on the Bonds as provided therein.

“Bond Purchase Agreement” means the agreement between the District and the Underwriter concerning the purchase of the Bonds by the Underwriter.

“Bonds” and *“Series 2025 Bonds”* means the General Obligation Limited Tax Refunding Bonds, Series 2025, dated as of the Dated Date, as authorized by the Resolution.

“Business Day” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State are authorized or obligated by law or executive order to be closed for business.

“Cede” means Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

“Certified Public Accountant” means an independent certified public accountant within the meaning of § 12-100-112, C.R.S., and any amendment thereto, licensed to practice in the State.

“Code” means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code in the Resolution will be deemed to include the United States Treasury Regulations proposed or in effect thereunder and applicable to the Bonds or the use of proceeds thereof, unless the context clearly requires otherwise.

“*Commitments*” means the written offers from the Bond Insurer to issue the Bond Insurance Policy and the Reserve Policy, collectively as the Commitments, or respectively each as a Commitment, as the context otherwise requires.

“*Continuing Disclosure Undertaking*” means the Continuing Disclosure Undertaking executed by the District to facilitate compliance with Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12).

“*Costs of Issuance Account*” means the temporary account established with the Bank pursuant to the Paying Agent and Registrar Agreement for the purpose of paying the costs of issuance related to the Bonds.

“*C.R.S.*” means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

“*County*” means Eagle County, Colorado.

“*Dated Date*” means the original dated date for the Bonds, which are the date of delivery of the Bonds.

“*Delegated Authority*” means the authority delegated to an Authorized Officer pursuant to the section in the Resolution entitled “Delegated Authority and Parameters.”

“*Direct Costs of Collection*” means collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

“*DTC*” means the Depository Trust Company, New York, New York, and its successors and assigns.

“*Enabling Laws*” means the Refunding Act, the Special District Act, the Supplemental Act and all other laws of the State enabling the issuance of the Bonds.

“*Event of Default*” means any one or more of the events set forth in the section in the Resolution entitled “Events of Default.”

“*Federal Securities*” means direct, non-redeemable obligations of (including obligations issued or held in book-entry form on the books of), or obligations the principal of and interest on which are guaranteed by, the United States of America.

“*Interest Payment Date*” means the date or dates upon which interest will be due and payable with respect to the Bonds as determined by the Sale Delegate and as set forth in the Sale Certificate, which dates are currently expected to be June 1 and December 1 of each year, commencing December 1, 2025, until the principal of the Bonds is paid in full on the final Maturity Date or upon prior redemption.

“*Interest Rate*” means the interest rates on the Bonds as established by the Sale Delegate in accordance with the terms of the Resolution.

“*Letter of Representations*” means the letter of representations from the District to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

“*Limited Mill Levy*” means a rate of ad valorem property tax levy expressed in mills (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient

to pay the principal of, premium if any, and interest on the Series 2025 Bonds and any Parity Lien Obligations as the same become due and payable, but not in excess of 40 mills; provided however, that in the event the method of calculating assessed valuation is or was changed after January 11, 2000, the maximum and minimum mill levy provided herein will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues realized from the mill levy, as adjusted, are neither diminished nor enhanced from those which would have been realized without such changes in calculation method. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation will be deemed to be a change in the method of calculating assessed valuation. For tax collection year 2025, the maximum Limited Mill Levy, as adjusted by the Board as provided in the preceding sentences, was 60.902 mills.

“Maturity Date” means the scheduled dates for maturing principal of the Bonds as established by the Sale Delegate in accordance with the terms of the Resolution.

“Outstanding” means, as of any date, all Bonds issued and delivered by the District, except the following:

- (a) any Bond cancelled by the District or the Paying Agent, or otherwise on the District’s behalf, at or before such date;

- (b) any Bond held by or on behalf of the District;

- (c) any Bond for the payment or the redemption of which moneys or Federal Securities sufficient to meet all of the payment requirements of the principal of, premium, if any, and interest on such Bond to the date of maturity or prior redemption thereof, will have theretofore been deposited in trust for such purpose in accordance with the section in the Resolution entitled “Defeasance;” and

- (d) any lost, apparently destroyed, or wrongfully taken Bond in lieu of or in substitution for which another bond or other security will have been executed and delivered.

“Owner” means the Person or Persons in whose name or names a Bond is registered on the registration books maintained by the Paying Agent as registrar for the Bonds.

“Parity Obligations” means bonds, notes, debentures, or other multiple fiscal year financial obligations (a) having a lien upon the Pledged Revenue or any part thereof on a parity with the lien thereon of the Bonds; or (b) for the payment of which the District has promised or is obligated to impose an ad valorem property tax other than, or in addition to, the Limited Mill Levy, unless such obligation is specifically made subordinate to the Bonds.

“Paying Agent” means the Bank or its successor, which will perform or cause to be performed the function of paying agent and registrar with respect to the Bonds.

“Paying Agent and Registrar Agreement” means the agreement between the District and the Paying Agent concerning the registration, transfer, exchange and payment of the Bonds.

“Permitted Investments” means any lawful investment permitted for the investment of funds of the District under the Enabling Laws and which meet the permitted investment guidelines as set forth in the standard package of the Bond Insurer which is part of the Commitments.

“*Person*” means a corporation, firm, other body corporate, partnership, association or individual and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

“*Pledged Revenue*” means the revenue derived by the District (including any interest income thereon) from the following sources, after deduction of any Direct Costs of Collection: (a) the Limited Mill Levy; and (b) any other legally available moneys deposited into the Bond Account.

“*Principal Payment Date*” means December 1, or such other date or dates of each year as established in the Sale Certificate for the payment of the principal of the Bonds.

“*Record Date*” means the fifteenth day of the calendar month next preceding each Interest Payment Date.

“*Refunded Bonds*” means the currently outstanding Series 2003 Bonds, the Series 2008 Bonds and the Series 2010 Bonds, or as otherwise provided by the Sale Delegate in the Sale Certificate.

“*Refunded Bonds Authorization*” means the resolutions of the District authorizing the issuance of the Refunded Bonds.

“*Refunded Bonds Paying Agent*” means UMB Bank, n.a., Denver, Colorado, in its capacity as paying agent for the Refunded Bonds, or any successor thereto.

“*Refunded Bonds Requirements*” means the principal and accrued interest due, or otherwise satisfied and discharged by agreement, in connection with the payment in full and cancellation of the Refunded Bonds.

“*Refunding Act*” means Article 56 of Title 11, C.R.S., or any successor thereto.

“*Refunding Project*” means the refinancing of the Refunded Bonds and any other purpose for which proceeds of the Bonds may be expended under the Enabling Laws, including, but not limited to, the payment of the costs of issuance of the Bonds and the refunding, paying and discharging of the Refunded Bonds Requirements.

“*Reserve Account*” means the account established and designated as such in the Resolution entitled “Reserve Account” for the purpose of securing the payment when due of the principal of and interest on the Bonds.

“*Reserve Policy*” means the debt service reserve insurance policy issued by the Bond Insurer pursuant to the debt service reserve insurance Commitment.

“*Reserve Requirement*” means the amount provided in the Sale Certificate and fulfilled by the delivery of the Reserve Policy.

“*Resolution*” means the revised and restated Resolution adopted and approved by the Board on August 2, 2025, authorizing the issuance of the Bonds.

“*Sale Certificate*” means the certificate executed by the Sale Delegate as authorized by the Resolution pursuant to § 11-57-205, C.R.S., including but not limited to the sections in the Resolution entitled “Bond Details” and “Redemption of Bonds Prior to Maturity.”

“*Sale Delegate*” means the District’s Manager, or in his absence any Authorized Officer of the Board.

“*Series 2003 Bonds*” means the General Obligation Limited Tax Bonds, Series 2003, dated March 6, 2003, issued in the original principal amount of \$2,500,000 and currently outstanding in the principal amount of \$2,055,000.

“*Series 2008 Bonds*” means the Subordinate General Obligation Limited Tax Bonds, Series 2008, dated February 13, 2008, issued in the original principal amount of \$8,500,000, and currently outstanding in the principal amount of \$5,448,836.

“*Series 2010 Bonds*” means the General Obligation Limited Tax Refunding and Improvement Bonds, Series 2010 dated May 25, 2010, issued in the original principal amount of \$7,370,000, and currently outstanding in the principal amount of \$7,243,000.

“*Special District Act*” means Title 32, Article 1, C.R.S.

“*Specific Ownership Taxes*” means the specific ownership taxes collected by the County and remitted to the District pursuant to § 42-3-107 C.R.S. or any successor statute, to the extent attributable to imposition of the Limited Mill Levy.

“*State*” means the State of Colorado.

“*Subordinate Obligations*” means bonds, notes, debentures, or other multiple fiscal year financial obligations having a lien upon the Pledged Revenue or any part thereof junior and subordinate to the lien thereon of the Bonds.

“*Supplemental Act*” means the “Supplemental Public Securities Act,” being Title 11, Article 57, Part 2, C.R.S.

“*Tax Letter of Instructions*” means the Tax Letter of Instructions, dated the Dated Date and delivered to the District by Bond Counsel, as such instructions may be superseded or amended in accordance with their terms.

“*Underwriter*” means Stifel, Nicolaus & Company, Incorporated, Denver, Colorado, the original purchaser of the Bonds.

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APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information is provided to give prospective investors general information concerning selected economic and demographic conditions existing in the area within which the District is located. The statistics presented below have been obtained from the referenced sources and represent the most current information available from such sources; however, certain of the information is released only after a significant amount of time has passed since the most recent date of the reported data and therefore, such information may not be indicative of economic and demographic conditions as they currently exist or conditions which may be experienced in the near future. Further, the reported data has not been adjusted to reflect economic trends, notably inflation. Finally, other economic and demographic information not presented herein may be available concerning the area in which the District is located and prospective investors may want to review such information prior to making their investment decision. The following information is not to be relied upon as a representation or guarantee of the District or its officers, employees, or advisors.

Population

The following table sets forth population statistics for the Town of Gypsum (the “Town”), Eagle County (the “County”) and the State of Colorado (the “State”).

Year	Population					
	Town		County		State	
	Population	Percent Change	Population	Percent Change	Population	Percent Change
1980	743	--	13,320	--	2,889,735	--
1990	1,750	135.53%	21,928	64.62%	3,294,473	14.01%
2000	3,654	108.80	41,675	90.05	4,302,015	30.58
2010	6,477	77.26	52,197	25.25	5,029,196	16.90
2020	8,058	24.41	55,663	6.64	5,787,129	15.07
2024 ¹	9,218	14.40	54,330	(2.39)	5,957,493	2.94

¹ Estimate.

Sources: U.S. Department of Commerce, Bureau of the Census

Housing Stock

	Housing Units			
	2010	2020	Percent Change	2024 ¹
Town	2,205	2,642	19.82%	N/A
County	31,312	32,965	5.28	34,444

¹ Estimate.

Source: U.S. Department of Commerce, Bureau of the Census, and Colorado Division of Local Government, Demography Section

Income

The following tables set forth historical per capita personal income levels for the County, the State and the United States.

Per Capita Personal Income ¹

	2019	2020	2021	2022	2023
County	\$82,532	\$88,991	\$102,019	\$117,317	\$128,041
State	61,278	64,693	71,706	76,674	80,068
United States	55,567	59,123	64,460	66,244	69,810

¹ 2019 data updated February 20, 2025, all other data as of December 2024.

Source: Bureau of Economic Analysis, Regional Economic Accounts

Building Permits

The following tables set forth historical building permit activity for the County and the Town over the past five years.

History of Estimated Building Permits Issued for New Structures in Unincorporated Eagle County

Year	Permits ¹	Valuation
2020	801	\$162,154,381
2021	925	353,212,807
2022	914	319,388,051
2023	733	281,642,437
2024	710	316,242,344
2025 ²	800	101,393,848

¹ Total building permits issued include permits for single-family residences, multi-family residences, commercial buildings and home repairs.

² Building permits issued through June 30, 2025.

Source: Eagle County Community Development, Building Division

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**History of Estimated Building Permits
Issued for New Structures the Town of Gypsum**

Year	Single-Family		Multi-Family		Commercial/Industrial	
	Permits	Valuation	Permits	Valuation	Permits	Valuation
2020	61	\$11,560,040	8	\$4,164,352	9	\$ 8,109,890
2021	43	10,852,421	5	4,792,998	16	15,845,548
2022	29	15,159,686	--	--	14	23,590,211
2023	20	11,792,259	--	--	6	8,693,372
2024	42	17,179,459	1	123,710	20	107,438,683
2025 ¹	25	6,602,459	--	--	4	9,851,421

¹ Building permits issued through June 30, 2025.
Source: Town of Gypsum Building Division

Foreclosure Activity

The following table sets forth foreclosure activity in Eagle County over the past five years.

History of Foreclosures—Eagle County

Year	Foreclosures Filed	Percent Change
2020 ¹	26	--
2021 ¹	18	(30.77)%
2022	28	55.56
2023	25	(10.71)
2024	21	(16.00)
2025 ²	12	--

¹ The decrease in the number of foreclosures filed in 2020 and 2021 was the result of the State imposed restrictions in place regarding foreclosures.

² Foreclosures filled through July 15, 2025.

Source: Eagle County Public Trustee's Office

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School Enrollment

The following table presents a five-year history of school enrollment for Eagle County School District RE-50J, the primary school district serving County inhabitants.

District Enrollment

School Year	Enrollment	Percent Change
2020/2021	6,699	--
2021/2022	6,689	(0.15)%
2022/2023	6,623	(0.99)
2023/2024	6,497	(1.90)
2024/2025	6,312	(2.85)

Source: Colorado Department of Education

Retail Sales

The retail trade sector employs a large portion of the County's work force and is important to the area's economy. The following table sets forth recent retail sales figures for the Town and the County as reported by the Colorado Department of Revenue.

Retail Sales

Year	Town of Gypsum	Percent Change	Eagle County	Percent Change	State of Colorado
2020	\$341,264	--	\$3,275,843	--	\$233,586,882
2021	423,883	24.21%	3,762,890	14.87%	268,328,759
2022	425,552	0.39	4,572,945	21.53	299,923,777
2023	445,845	4.77	4,686,697	2.49	302,570,432
2024	814,864	82.77	4,704,178	0.37	309,121,263
2025 ¹	207,836	--	1,747,402	--	97,371,276

¹ Retail sales through April 30, 2025.

Sources: State of Colorado, Department of Revenue, Sales Tax Statistics, 2020-2025

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Employment

The following tables set forth the most recent County employment statistics by industry and historical labor force estimates for the County and the State.

Total Business Establishments and Employment—Eagle

Industry ¹	Fourth Quarter 2023		Fourth Quarter 2024		Quarterly Change	
	Units	Average Employment	Units	Average Employment	Units	Average Employment
Agriculture, Forestry, Fishing and Hunting	17	66	13	43	(4)	(23)
Mining	8	24	7	29	(1)	5
Utilities	10	217	11	217	1	0
Construction	691	3,943	624	3,996	(67)	53
Wholesale Trade	133	421	123	432	(10)	11
Information	71	316	55	290	(16)	(26)
Finance and Insurance	152	477	137	491	(15)	14
Real Estate, Rental and Leasing	470	1,836	419	1,813	(51)	(23)
Professional and Technical Services	680	1,505	634	1,497	(46)	(8)
Management of Companies and Enterprises	49	122	46	119	(3)	(3)
Administrative and Waste Services	279	2,903	260	2,872	(19)	(31)
Educational Services	49	1,638	44	1,595	(5)	(43)
Health Care and Social Assistance	241	3,467	239	3,528	(2)	61
Arts, Entertainment and Recreation	120	3,046	99	3,259	(21)	213
Accommodation and Food Services	303	7,222	286	7,193	(17)	(29)
Other Services, Es. Public Administration	286	1,191	240	1,215	(46)	24
Public Administration	27	1,733	27	1,769	0	36
Unclassified	<u>3</u>	<u>7</u>	<u>9</u>	<u>3</u>	<u>(18)</u>	<u>(4)</u>
Total ²	<u>4,099</u>	<u>34,823</u>	<u>3,734</u>	<u>35,020</u>	<u>(365)</u>	<u>197</u>
Government ³						
Federal	16	106	15	109	(1)	3
Local	31	3,326	32	3,416	1	90
State	8	172	8	166	0	(6)

¹ Information provided herein reflects only those employers who are subject to State unemployment insurance law.

² Totals may not add due to rounding.

³ Government figures are included within the industry categories listed above.

Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW)

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Labor Force Estimates

Year	Eagle County		Colorado	
	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed
2020 ¹	35,708	9.5%	3,122,237	7.3%
2021 ¹	34,265	5.2	3,190,760	5.6
2022	38,573	2.6	3,235,022	3.4
2023	35,661	2.5	3,244,096	2.9
2024	35,242	3.4	3,241,864	4.1
2025 ²	36,004	3.9	3,268,429	4.8

¹ As a result of the COVID-19 pandemic and the federal government induced quarantine, unemployment numbers increased exponentially in 2020 and 2021.

² Labor force averages through May 31, 2025.

Source: State of Colorado, Division of Employment and Training, Labor Market Information, Colorado Labor Force Review

A selection of some of the largest employers in the County is set forth below. No independent investigation of the stability or financial condition of the employers listed hereafter has been conducted; therefore, no representation can be made that these employers will continue to maintain their status as major employer in the County.

Selected Major Employers in Eagle County ¹

Employer	Product or Service	Estimated Number of Employees ²
Vail Resorts, Inc.	Ski resorts/Accommodations and Food Service	1,500
Eagle County School District RE-50J	Education	500-1,000
Vail Valley Medical Center ³	Health care	500-1,000
Eagle County Government	Government	400-500
Vail Cascade Resort & Spa	Accommodations and Food Service	400-500
Sonnenalp Resort	Accommodations and Food Service	400-500
Ritz Carlton Hotel	Accommodations and Food Service	300-400
Walmart Stores	Retail Trade	300-400
Vail (Town of)	Public Administration	200-300
Vail Marriott	Accommodations and Food Service	200-300

¹ The Vail Valley Partnership estimates that there are 6,000 seasonal jobs in the Eagle River Valley based on the resort economy. It is unknown how many of these seasonal jobs are held by year-round residents.

² As of February 18, 2025.

³ This figure represents the medical center operations at seven locations spanning a 70-mile distance across Eagle and Summit Counties.

Sources: Vail Valley Economic Development, managed by the Vail Valley Partnership

Tourism and Recreation

Tourism and skiing related businesses account for a significant portion of the employment and earned income of area residents with revenue being derived principally from retail trade, short-term lodging rentals, concessions, and restaurants. Summer activities in the area include bicycling, boating, fishing, water skiing, rafting, and kayaking, horseback riding, camping, hiking, and cultural activities. Golfing is also available at numerous golf courses throughout the area. Winter activities include, among others, downhill skiing at Vail Mountain and Beaver Creek ski areas, as described hereafter, and cross-country skiing, snowmobiling, and hunting.

According to the Colorado Tourism Office, the state welcomed approximately 93.3 million visitors (39.2 million overnight travelers) in 2023. These visitors reflect an increase of approximately 3.6% over the previous year's figure of visitors coming to the State.

Year-round tourism and skiing-related businesses account for a significant portion of the employment and earned income of Vail Valley area residents. Vail Valley provides a variety of winter activities including skiing at Beaver Creek and Vail Mountain, as further described under this caption, ice fishing, camping, Nordic skiing, ice skating (indoors or out) snowmobiling, and snowshoeing.

The Ski Industry in the State. Colorado Ski Country USA ("CSCUSA") is the not-for-profit trade association representing 21 of Colorado's 32 ski and snowboard resorts. Among the areas not included in CSCUSA's statistics are the Vail Resorts and its four ski areas of Vail, Beaver Creek, Keystone and Breckenridge. On June 6, 2024, CSCUSA reported that skier visits at its 21-member ski resorts saw a projected 14 million skier visits across the state for the 2023/2024 season. The projected total is a decrease of approximately 5% from last season's record-breaking total and represents the second highest skier visit total on record for the state. The previous record for visits was set in the 2021/2022 season when the statewide total was 13.8 million. The 2023/2024 season was also notable for significant resort investments in the workforce and guest experiences. Two new employee and community childcare facilities anchored the season: Copper Mountain opened in early spring and Steamboat Ski Resort operated its facility for the first full season. Winter Park opened a new, 330+ bed employee housing facility within walking distance to the base. Aspen Mountain debuted its biggest expansion in 40 years: 150 acres of new chutes, glades, and trails called Hero's. Steamboat Ski Resort wrapped the final phase of its three-year Full Steam Ahead expansion with the opening of 650+ acres of advanced and expert terrain called Mahogany Ridge. Colorado ski areas also continued their work in climate action, with both sustainability projects on the ground in Colorado and climate advocacy in Washington, D.C.

According to a press release dated May 22, 2024, the Denver-based National Ski Areas Association ("NSAA") reported record visitation at U.S. ski areas for the 2023/2024 season, the 5th best overall despite weather challenges, with a total of 60.4 million skier visits. While performance remained strong in several regions, all six regions experienced a decline in skier visits against the prior season's unparalleled numbers. The Rocky Mountain region remains the most visited, reporting 26.7 million visits followed by the Northeast at 12.4 million and the Pacific Southwest at 8.0 million. The Midwest was the fourth-most visited region, with 4.8 million visits. The Pacific Northwest region reported 4.2 million visits. Preliminary data from NSAA indicates that the 2024/2025 season marked the second-highest visitation on record as U.S. ski areas with a total of 61.5 million skier visits, a 1.7% increase over 2023/2024.

Summer Activities. At the present time, there are 13 championship 18-hole golf courses located in the Vail Valley region and surrounding Eagle County area. There are five championship 18-hole public golf courses which include Eagle-Vail Golf Club, Beaver Creek Golf Club, Red Sky Ranch & Golf Club Fazio Course, Red Sky Ranch & Golf Club Norman Course and Gypsum Creek Golf Course. There are eight private championship 18-hole courses including: Country Club of the Rockies, Eagle Springs Golf

Club, Frost Creek, The Club at Cordillera (three courses), Red Sky Ranch, and Sonnenalp Golf Club. There are also two 9-hole par-27 courses available for play which include the private Club at Cordillera Short Course and the public Willow Creek Golf Club at Eagle Vail. In addition to golfing, Vail Valley residents and visitors enjoy bicycling, boating, fishing, rafting and kayaking, horseback riding, camping, hiking, and cultural activities during the summer months.

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APPENDIX D

FORM OF BOND COUNSEL OPINION

Buckhorn Valley Metropolitan District No. 2
Eagle County, Colorado

Stifel, Nicolaus & Company, Incorporated
Denver, Colorado

Assured Guaranty Inc.
New York, New York

\$15,025,000 *

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2
(in the Town of Gypsum, Eagle County, Colorado)
GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS
SERIES 2025

Ladies and Gentlemen:

We have been engaged by Buckhorn Valley Metropolitan District No. 2, located in the Town of Gypsum, Eagle County, Colorado (the “District”), to act as bond counsel for the issuance of its General Obligation Limited Tax Refunding Bonds, Series 2025, in the aggregate principal amount of \$15,025,000 * (the “Bonds”). Capitalized terms used but not defined in this opinion have the meanings assigned to them in the resolution authorizing the issuance of the Bonds (the “Bond Resolution”) as revised, restated and adopted by the Board of Directors of the District on August 2, 2025.

We have examined the constitution and the laws of the State of Colorado (the “State”); the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations, rulings and judicial decisions relevant to the opinions set forth in paragraph 4 below; the provisions of the Securities Act of 1933, as amended, and the regulations, rulings and judicial decisions relevant to the opinion set forth in paragraph 5 below; and such certified proceedings, certificates, documents, opinions and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law and as of the date hereof, that:

1. The certified record of proceedings authorizing issuance of the Bonds shows lawful authority for the Bonds under the Constitution and laws of the State now in force. The Bond Resolution has been duly authorized, is in full force and effect, and is valid and enforceable in accordance with its terms.

2. The Bonds in the principal amount stated above are valid and binding limited tax general obligations of the District, payable from the Pledged Revenue.

3. All taxable property within the boundaries of the District or otherwise responsible for payment of a portion of the debt service on the Bonds is subject to ad valorem taxation to pay the principal of and the interest on the Bonds when due, respectively, whether at maturity or upon earlier redemption;

* Preliminary; subject to change.

provided however, nothing in the Bond Resolution shall be construed to require the District to levy an ad valorem property tax in excess of the Limited Mill Levy.

4. Under laws, regulations, rulings, and judicial decisions existing on the date hereof, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinions set forth in the preceding sentence assume the accuracy of certain representations and continuing compliance by the District with certain covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause such interest on the Bonds to be included in gross income for federal income tax purposes, or could otherwise adversely affect such opinions, retroactive to the date of issuance of the Bonds. The District has covenanted in the Bond Resolution and in the Tax Compliance Certificate executed and delivered in connection with the issuance of the Bonds to comply with such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.

5. Under State statutes existing on the date hereof, to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. We express no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State or any other state or jurisdiction.

6. The Bonds are exempt from registration under the Securities Act of 1933, as amended.

The rights of the holder of the Bond and the enforceability of the Bond and the Bond Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity, by the exercise by the State of Colorado and its governmental bodies of the police power inherent in the sovereignty of the State of Colorado and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

We express no opinion herein as to any matter not specifically set forth above. In particular, but without limitation, we express no opinion herein as to the accuracy, adequacy or completeness of any official statement, memorandum, prospectus or other statement used in connection with the offer and sale of the Bond.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

This opinion may be relied upon solely by the addressees hereto in connection with the issuance of the Bond. This opinion may not be relied upon for any other purpose or by any person other than the addressees. This opinion has been addressed to persons other than the District at the request of, and as an accommodation to, our client, the District. The inclusion of persons other than the District addressees does not create or imply an attorney-client relationship between Kutak Rock and such persons.

Respectfully submitted,

APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning The Depository Trust Company (“DTC”) New York, NY and DTC’s book-entry-only system has been obtained from DTC, and the District and the Underwriter take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Bonds and deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation & Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry-system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Bonds; DTC’s records reflect only the identity of the Direct

Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Bonds to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

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APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “Undertaking”) is executed and delivered, as of August __, 2025, by Buckhorn Valley Metropolitan District No. 2 in the Town of Gypsum, Eagle County, Colorado (the “District”), in connection with the issuance of \$15,025,000* aggregate principal amount of General Obligation Limited Tax Refunding Bonds, Series 2025 (the “Bonds”). The Bonds are being issued pursuant to a Resolution adopted by the District’s Board of Directors (the “Resolution”) prior to the issuance of the Bonds. Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Resolution.

In consideration of the issuance of the Bonds and the purchase of such Bonds by the Owners, the District hereby covenants and agrees as follows:

Section 1. Purpose of this Undertaking. This Undertaking is executed and delivered by the District as of the date set forth above, for the benefit of the holders and owners (the “Bondholders”) of the Bonds and in order to assist the Participating Underwriter (as defined below) in complying with the requirements of the Rule (as defined below).

Section 2. Definitions. The terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

“*Annual Financial Information*” means the financial information and operating data described in Exhibit I.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4 hereof.

“*Audited Financial Statements*” means the audited financial statements of the District, prepared pursuant to the standards and as described in Exhibit I.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means, initially, the District and any successor agent designated as such in writing by the District and which has filed with the District a written acceptance of such designation, and such agent’s successors and assigns.

“*Enumerated Event*” means the occurrence of any of the events with respect to the Bonds set forth in Exhibit II.

“*Enumerated Events Disclosure*” means dissemination of a notice of an Enumerated Event as set forth in Section 5.

“*EMMA*” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

* Preliminary; subject to change.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Bonds.

“*Prescribed Form*” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Enumerated Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“*Rule*” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“*State*” means the State of Colorado.

Section 3. CUSIP Number/Final Official Statement. The final CUSIP® of the Bonds is 118383 ____¹. The final Official Statement relating to the Bonds is dated August __, 2025 (the “Final Official Statement”).

Section 4. Annual Financial Information Disclosure. Subject to Section 10 of this Undertaking, the District hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I) by the District’s delivery of such Annual Financial Information and Audited Financial Statements to the MSRB within 240 days immediately following the completion date of the District’s fiscal year commencing with fiscal year ending 2024.

The District is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Undertaking, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Enumerated Events Disclosure. Subject to Section 10 of this Undertaking, the District hereby covenants that it will disseminate in a timely manner, not in excess of 10 Business Days after the occurrence of the event, Enumerated Events Disclosure to the MSRB in Prescribed Form. From and after the Effective Date, the District is required to deliver such Enumerated Events Disclosure in the same manner as provided by Section 4 of this Undertaking.

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¹ The District takes no responsibility for the accuracy of the CUSIP numbers, which are included solely for the convenience of owners of the Bonds.

Section 6. Duty to Update EMMA/MSRB. The District shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of the District to Provide Information. The District shall give notice in a timely manner, not in excess of 10 Business Days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Undertaking, the Bondholder of any Bond may seek specific performance by court order to cause the District to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an Event of Default under the Resolution or any other agreement, and the sole remedy under this Undertaking in the event of any failure of the District to comply with this Undertaking shall be an action to compel performance.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Undertaking, the District may amend this Undertaking, and any provision of this Undertaking may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District or type of business conducted;

(ii) This Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the Bondholders of the Bonds, as determined either by parties unaffiliated with the District or the District (such as the Trustee) or by an approving vote of the Bondholder Representative or of the Bondholders of the Bonds holding a majority of the aggregate principal amount of the Bonds (excluding Bonds held by or on behalf of the District or its affiliates) at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Undertaking. This Undertaking of the District shall be terminated hereunder when the District shall no longer have any legal liability under the terms of the Resolution pursuant to the terms of the Resolution for any obligation on or relating to the repayment of the Bonds. The District shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. The District shall transmit all information to the MSRB as provided in this Undertaking. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. Additional Information. Nothing in this Undertaking shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of an Enumerated Event, in addition to that which

is required by this Undertaking. If the District chooses to include any information from any document or notice of occurrence of an Enumerated Event in addition to that which is specifically required by this Undertaking, the District shall not have any obligation under this Undertaking to update such information or include it in any future disclosure or notice of the occurrence of an Enumerated Event.

Section 12. Beneficiaries. This Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the District, the Dissemination Agent, if any, the District, the Bondholder Representative and the Bondholders of the Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The District shall maintain records of all Annual Financial Information Disclosure and Enumerated Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 14. Assignment. The District shall not transfer its obligations under this Undertaking unless the transferee agrees to assume all obligations of the District under this Undertaking or to execute a continuing disclosure undertaking under the Rule.

Section 15. Governing Law. This Undertaking shall be governed by the laws of the State.

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EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

“*Annual Financial Information*” means financial information and operating data exclusive of Audited Financial Statements as set forth below. All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission, and such information need not be provided in the exact format as shown in the Final Official Statement. The District shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 240 days after the last day of the District’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 Business Days after availability to the District.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Undertaking, including for this purpose a change made to the fiscal year end of the District, the District will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

The Annual Financial Information shall be of the general type included in the following tables:

History of District’s Assessed Valuation and Mill Levy

Levy/Collection Year	Assessed Valuation	General Fund Mill Levy	Bond Debt Mill Levy	Total Mill Levy
20[___]/20[___]	\$			

History of District’s Property Tax Collections

Levy/Collection Year	Current Taxes Levied	Current Taxes Collected ¹
20[___]/20[___]		

EXHIBIT II

EVENTS WITH RESPECT TO THE BONDS FOR WHICH ENUMERATED EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Nonpayment-related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to rights of security holders, if material
8. Certificate calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the District*
13. The consummation of a merger, consolidation or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional Paying Agent or the change of name of a Paying Agent, if material
15. Incurrence of a Financial Obligation (as defined in Footnote 1 below) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

¹ “Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into, in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY



MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019

(212) 974-0100

Form 500 (8/24)