

**2023 ANNUAL REPORT TO THE
CITY OF COLORADO SPRINGS**

Pursuant to the Service Plan for Mountain Valley Metropolitan District (the “District”), the District is required to submit an annual report to the Director of the City’s Budget Department, as follows:

Current Year: 2024 (for 2023 reporting year)
Name of District: Mountain Valley Metropolitan District
Business Address of District: c/o Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, CO 80203
District’s Telephone Number: (303)-839-3800
Contact Person: David O’Leary, General Counsel

Please provide the following additional information:

1. Boundary changes made or proposed to the Districts’ boundaries as of December 31 of the prior year.

None.

2. Intergovernmental Agreements with other governmental entities, either entered into or proposed, as of December 31 of the prior year.

None.

3. Copies of the Districts’ Rules and Regulations, if any, as of December 31 of the prior year and access information for same.

Design Guidelines and Declaration of Covenants for the Mountain Valley Community can be found on the District’s website: <https://www.mountainvalleymetrodistrict.com/governing-information>

District Manager: The Landhuis Company, Attn: Chasity McMorrow, cmcmorrow@landhuisco.com
District Legal Counsel: Spencer Fane LLP, Attn: David O’Leary, doleary@spencerfane.com

4. A summary of any litigation which involves the Public Improvements as of December 31 of the prior year.

There is no litigation, notices of claim, pending or threatened, against the District of which we are aware.

5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.

No additional significant public improvements have been constructed by the District during the reporting period. All subdivision improvements were constructed and completed prior to the end of 2018.

6. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City as of December 31 of the prior year.

No facilities or improvements were dedicated to the City during the reporting year.

7. The assessed valuation of the District for the current year. \$4,444,240

8. Current year budget including a description of the Public Improvements to be constructed in such year.

The 2023 budget is attached hereto as **Exhibit A**.

9. Audit of the Districts, and any entity formed by one or more of the Districts, and financial statements for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

Revenues and expenditures for the District were less than \$750,000 in 2023, and an exemption from audit for the report year was filed and granted in accordance with state law.

10. Notice of any uncured events of default by any of the Districts, which continue beyond a ninety (90) day period, under any Debt instrument.

None.

11. Any inability of a District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

None.

12. Copies of any Certifications of an External Financial Advisor provided as required by the Privately Placed Debt Limitation provision.

See **Exhibit B** attached hereto.

Dated: May 2, 2024

/s/ David S. O'Leary
David S. O'Leary, Counsel for the District

EXHIBIT A
2024 BUDGET

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2024

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2024 budget and budget message for MOUNTAIN VALLEY METROPOLITAN DISTRICT in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 1, 2023. If there are any questions on the budget, please contact:

Seef LeRoux
CliftonLarsonAllen LLP
121 South Tejon Street, Ste. 1100
Colorado Springs, CO 80903
Tel.: 719-635-0330

I, S. Alan Vancil, as Secretary of the Mountain Valley Metropolitan District, hereby certify that the attached is a true and correct copy of the 2024 budget.

By: S. Alan Vancil

**RESOLUTION
TO ADOPT 2024 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
MOUNTAIN VALLEY METROPOLITAN DISTRICT**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE MOUNTAIN VALLEY METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2024, AND ENDING ON THE LAST DAY OF DECEMBER, 2024,

WHEREAS, the Board of Directors of the Mountain Valley Metropolitan District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 1, 2023 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$ 27,701; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$ 166,215; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$0; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2023 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$ 4,444,240; and

WHEREAS, at an election held on November 8, 2016, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MOUNTAIN VALLEY METROPOLITAN DISTRICT OF EL PASO COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Mountain Valley Metropolitan District for calendar year 2024.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2024 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2024 budget year, there is hereby levied a tax of 6.233 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2024 budget

year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 37.400 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2024 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2024 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2023 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 1st day of November, 2023.

MOUNTAIN VALLEY METROPOLITAN DISTRICT

Victor Torres

President

ATTEST:

S. Alan Vancil

Secretary

Mountain Valley Metropolitan District			
Colorado Springs, El Paso County, Colorado			
General Fund Budget			
Year Ended 12/31/2024			
Modified Accrual Basis			
	2022	2023	2024
	12/31/22	12/31/23	Proposed
	Actuals	Estimated	Budget
BEGINNING FUND BALANCE	\$ 10,373	\$ 21,639	\$ 28,643
REVENUES			
Homeowner Fees	26,750	28,200	28,200
Property Taxes	20,969	20,975	27,701
Specific ownership Tax	2,180	2,098	2,770
Covenant Violation Income	-	50	-
Late/Collection Fee	100	-	-
Interest Income	19	-	-
Setup Fees	450	2,400	150
Status Letter	300	1,500	100
Total Revenues	50,768	55,223	58,921
EXPENDITURES			
General Management			
Accounting	3,386	5,000	5,000
Legal	6,175	5,500	5,500
District Management	6,601	10,152	14,382
Insurance	2,027	2,571	2,700
Dues (SDA)	406	282	350
Setup Fee	400	2,400	150
Status Letter	350	1,500	100
Contingency	-	-	1,000
El Paso County property tax collection fee - 1.5%	315	315	416
Total General Management	19,660	27,720	29,598
Maintenance			
Landscape maintenance	9,075	10,500	14,650
Landscape Repair	3,928	3,000	3,000
Landscape Improvements	-	-	2,000
Landscape water	5,782	6,500	6,500
Snow Removal	233	500	500
Total Maintenance	19,018	20,500	26,650
Total Expenses	38,678	48,220	56,248
Transfer to Debt Service Fund	(824)	-	-
Excess of Revenues over Expenditures	11,266	7,004	2,673
ENDING FUND BALANCE	\$ 21,639	\$ 28,643	\$ 31,316
Emergency Reserve - 3% of Revenues	\$ 1,523	\$ 1,657	\$ 1,768
Unrestricted Fund Balance	20,116	26,986	29,548
Homeowner Fee	\$ 200	\$ 200	\$ 200
Homes	134	141	141
Total Fee	\$ 26,750	\$ 28,200	\$ 28,200

Mountain Valley Metropolitan District			
Colorado Springs, El Paso County, Colorado			
Capital Fund Budget			
Year Ended 12/31/2024			
Modified Accrual Basis			
	2022	2023	2024
	Actual	12/31/23 Estimated	Proposed Budget
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Total Revenues	-	-	-
EXPENDITURES			
Total Capital Expenditures	-	-	-
Excess of Revenues over Expenditures	-	-	-
Transfer from Debt Service Fund	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

Mountain Valley Metropolitan District			
Colorado Springs, El Paso County, Colorado			
Debt Service Fund Budget			
Year Ended 12/31/2024			
Modified Accrual Basis			
	2022	2023	2024
	12/31/22	12/31/23	Proposed
	Actual	Estimated	Budget
BEGINNING FUND BALANCE	\$ 104,245	\$ 102,471	\$ 2,812
REVENUES			
Property Taxes	125,819	125,864	166,215
Specific Ownership Tax	13,082	13,090	16,622
Interest on delinquent property tax	115	-	-
Total Revenues	139,016	138,954	182,837
EXPENDITURES			
Interest Expense on Bonds	139,725	139,725	134,090
Bond Principal Payment	-	97,000	48,000
El Paso County Tax collection Fee	1,889	1,888	2,493
Total Expenditures	141,614	238,613	184,583
Transfer from General Fund	824	-	-
Excess of Revenues over Expenditures	(1,774)	(99,659)	(1,746)
ENDING FUND BALANCE	\$ 102,471	\$ 2,812	\$ 1,066
Debt Service			

Mountain Valley Metropolitan District	
Colorado Springs, El Paso County, Colorado	
Property Taxes	
2023 Valuations for 2024 Taxes	
	2024
Vacant Residential Land - Market Value	2,900
Percentage	28%
Assessed Value	810
Residential	
Residential Land & Improvements - Market Value	66,173,258
Percentage	6.70%
Assessed Value	4,433,610
Commercial	
Market Value	1,256
Percentage	28%
Assessed Value	350
State Assessed	
Market Value	33,940
Percentage	28%
Assessed Value	9,470
Total Assessed Value	4,444,240
Property Tax	
Operations & Maintenance	\$ 27,701
Debt Service	\$ 166,215
Total	\$ 193,916
Mill Levy Charged	
Operations & Maintenance	6.233
Debt Service	37.400
Total	43.633

**MOUNTAIN VALLEY METROPOLITAN DISTRICT
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Mountain Valley Metropolitan District (the “District”) is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act, and was formed in November 2016. The District was established for the Mountain Valley community and encompasses the land generally located to the South of Dublin Boulevard and to the West of Sayres Road and to the East of the adjacent Marksheffel Road, and to the North and East of the intersection of Stetson Hills Boulevard (where it meets and becomes Huber Road) and Marksheffel Road, and is entirely within the boundaries of the City of Colorado Springs, El Paso County, State of Colorado and contains approximately 37.35 acres, more or less. The District was organized to provide financing for the design, acquisition, construction and installation of public improvements, facilities and services. The public improvements to be provided by the District are proposed to include the types of facilities and improvements for a non-potable water system, streets and roadways, street landscaping, signage, monuments, and lighting, safety protection, park and recreation, sanitation and storm drainage, water improvements and other related improvements and their operation and maintenance.

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

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District’s financial statements.

GENERAL FUND

REVENUES

1. The homeowners will be assessed a \$200 annual fee to cover the shortfall of revenue over expenses in 2024.
2. Property Taxes are based on the assessed value of property within the District as established by El Paso County. Mill levies are budgeted for Operations and Maintenance at 6.233 Mills.
3. Specific ownership taxes are budgeted at 10% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the county treasurer to all taxing entities within the county.
4. Fees are charged by the District to setup homeowners for billing and communications, and to provide status letters for home closings.

**MOUNTAIN VALLEY METROPOLITAN DISTRICT
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

GENERAL FUND – (continued)

EXPENDITURES

1. Accounting fees include the costs of the accounting firm to review the financial statements, review and file the budget and to prepare annual financial statements for the audit.
2. Audit fees are the cost to audit the financial statements.
3. Legal fees are estimated based on the annual requirements of the District.
4. District Management costs are estimated based on costs to manage the District.
5. Dues & subscriptions are the estimated SDA dues and office expenses.
6. Insurance is the estimated charges from the Colorado Special Districts Property and Liability Pool insurance.
7. The District Manager is paid the fees for Homeowner Setup and status letters.
8. A property tax collection fee is payable to the County at the rate of 1.5% of the property taxes collected, excluding specific ownership tax.
9. Landscape Maintenance and Water is the cost to maintain and water the landscaping, common areas and drainage systems.

CAPITAL FUND

REVENUES & EXPENDITURES

1. No revenues or expenditures are budgeted in the Capital Fund for 2024.

DEBT SERVICE FUND

REVENUES

1. Property Taxes are based on the assessed value of property within the District as established by El Paso County. Mill levies are budgeted for Debt Service at 37.400 Mills.
2. Specific ownership taxes are budgeted at 10% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the county treasurer to all taxing entities within the county.

EXPENDITURES

1. Interest and principal on the District Bonds issued is budgeted at \$182,090.
2. A property tax collection fee is payable to the County at the rate of 1.5% of the property taxes collected, excluding specific ownership tax.

**MOUNTAIN VALLEY METROPOLITAN DISTRICT
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

RESERVES

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of revenues, excluding Developer Loan Proceeds.

ADDITIONAL INFORMATION

1. The basis of accounting for the District is the Modified Accrual Basis.
2. There are no operating or capital lease obligations of the District.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of El Paso County, Colorado.

On behalf of the Mountain Valley Metropolitan District,

the Board of Directors (taxing entity)^A

of the Mountain Valley Metropolitan District (governing body)^B

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 4,444,240
(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 4,444,240
(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 01/01/2024 for budget/fiscal year 2024.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>6.233</u> mills	\$ <u>27,701</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u> </u> > mills	\$ < <u> </u> >
SUBTOTAL FOR GENERAL OPERATING:	<u>6.233</u> mills	\$ <u>27,701</u>
3. General Obligation Bonds and Interest ^J	<u>37.400</u> mills	\$ <u>166,215</u>
4. Contractual Obligations ^K	<u> </u> mills	\$ <u> </u>
5. Capital Expenditures ^L	<u> </u> mills	\$ <u> </u>
6. Refunds/Abatements ^M	<u> </u> mills	\$ <u> </u>
7. Other ^N (specify): <u> </u>	<u> </u> mills	\$ <u> </u>
	<u> </u> mills	\$ <u> </u>
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>43.633</u> mills	\$ <u>193,916</u>

Contact person: Seef Le Roux Phone: (719)635-0330
Signed: Seef Le Roux Title: Accountant for District

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? Yes No

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|----|-------------------|---|
| 1. | Purpose of Issue: | Public Improvements |
| | Series: | Limited Tax General Obligation Bonds, Series 2019 |
| | Date of Issue: | February 15, 2019 |
| | Coupon Rate: | 5.75% |
| | Maturity Date: | December 1, 2057 |
| | Levy: | 37.400 |
| | Revenue: | \$ 166,215 |
| | | |
| 2. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon Rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

CONTRACTS^K:

- | | | |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| | | |
| 4. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

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

EXHIBIT B
CERTIFICATION OF EXTERNAL FINANCIAL ADVISOR

*Mountain Valley Metropolitan District
In the City of Colorado Springs, El Paso County, Colorado*

*\$2,430,000
Limited Tax General Obligation Bonds
Series 2019*

CERTIFICATE OF EXTERNAL FINANCIAL ADVISOR

This Certificate of External Financial Advisor (this “Certificate”) is furnished by George K. Baum & Company (“GKB”) in connection with the issuance by Mountain Valley Metropolitan District, in the City of Colorado Springs, El Paso County, Colorado (the “District”), of its Limited Tax General Obligation Bonds, Series 2019, in the aggregate principal amount of \$2,430,000 (the “Bonds”), pursuant to a resolution adopted by the Board of Directors of the District on February 5, 2019 (the “Authorizing Resolution”). In connection with the issuance of the Bonds, the undersigned hereby certifies on behalf of GKB as follows (capitalized terms used herein and not defined shall have the meanings ascribed thereto in the Authorizing Resolution):

1. The undersigned is duly authorized by all applicable laws, rules, regulations and corporate documents to make the representations contained herein on behalf of GKB.

2. GKB has provided certain services to the District in connection with the structuring and issuance of the Bonds.

3. GKB is a consultant that (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) is an underwriter, investment banker or individual listed as a public finance advisor in the Bond Buyer’s Municipal Market Place; and (iii) is not an officer or employee of the District and, other than as set forth in paragraph 2 above, has not been otherwise engaged to provide services in connection with the issuance of the Bonds.

4. GKB is an External Financial Advisor within the meaning of the District’s Service Plan.

5. GKB is of the opinion that the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by the Bonds does not exceed a reasonable current tax-exempt interest rate using criteria deemed appropriate by us and based upon our analysis of comparable high yield securities.

6. GKB is of the opinion that the structure of the Bonds, including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

7. GKB understands that this Certificate forms a part of the basis for the opinion, dated the date hereof, of Kline Alvarado Veio, P.C., as bond counsel, to the effect that the interest on the Bonds is excluded from the gross income of the recipients thereof for purposes of

federal income taxation under existing laws, regulations, rulings and judicial decisions; provided, however, that (a) nothing herein represents GKB's interpretation of any laws, including, without limitation, any provisions of Section 148 of the Code or the regulations thereunder, (b) GKB makes no representation as to the legal sufficiency of the representations of fact set forth herein, (c) GKB makes no representation as to any conclusions of law made by bond counsel; and (d) this Certificate may be relied upon by bond counsel for the purposes stated above.

[Signature page follows]

IN WITNESS WHEREOF, GKB has caused this Certificate of External Financial Advisor to be executed in its name and on its behalf by its authorized officer as of the 15th day of February, 2019.

GEORGE K. BAUM & COMPANY

By:  _____
Authorized Officer