

# Application for Exemption From Audit Short Form

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## Instructions

**If either revenues or expenditures exceed \$200,000, use the Long Form**

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$1,000,000 in the year.

**Exemptions from audit are NOT automatic**

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit **each year** and submit it to the Office of the State Auditor (OSA). Approval for an exemption from audit is granted only upon the review by the OSA.

Any preparer of an Application for Exemption from Audit — Short Form must be a person skilled in governmental accounting.

**Read ALL instructions before completing and submitting this form**

All applications must be filed with the OSA **within 3 months** after the accounting year-end.

For example, applications must be received by the OSA on or before March 31 for governments with a December 31 year-end. Applications for exemption from audit are not eligible for an extension of time.

Governmental activity should be reported on the modified accrual basis. Proprietary activity should be reported on a cash or budgetary basis.

### Important!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the **Modified Accrual Basis**.

Proprietary Activity should be reported on a **Budgetary Basis**.

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year. In that event, an audit shall be required.

**Postmark dates will not be accepted as proof of submission on or before the statutory deadline**

Prior year forms are obsolete and will not be accepted.

Applications must be fully and accurately completed. Applications submitted on forms other than those prescribed by the OSA will not be accepted.

For your reference, the Colorado Revised Statutes are available through the [LexisNexis Colorado portal](#).

## Checklist

- Has the preparer signed the application prior to board approval?
- Has the entity corrected all prior year deficiencies as communicated by the OSA?
- Has the application been **personally** reviewed and approved by the governing body?
- Are all sections on the form complete, including responses to all of the questions?
- Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?

Will this application be submitted electronically?  Yes  No

If yes, have you read and understood the Electronic Signature Policy? See policy in Part 10.

-- or --

- If yes, have you included a resolution?
  - Does the resolution state that the governing body **personally** reviewed and approved the resolution in an open public meeting?
  - Has the resolution been signed by a **majority** of the governing body? See sample resolution at the end of this form.

Will this application be submitted via a mail service (e.g., U.S. Post Office, FedEx, UPS, courier)?  Yes  No

- If yes, does the application include **original ink signatures** from the **majority** of the governing body?

### Filing Methods

#### Web Portal (recommended)

[apps.leg.co.gov/csafg](https://apps.leg.co.gov/csafg)

For faster processing, the web portal should be used for submissions.

#### Mail

##### Office of the State Auditor

Local Government Audit Division  
1375 Sherman St., 5th Floor  
Denver, CO 80261-3000

Questions? Email: [osa.lg@coleg.gov](mailto:osa.lg@coleg.gov) Phone: 303-869-3000


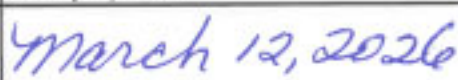
### Contact Information

For the year ended 2025 or the fiscal year ended \_\_\_\_\_.

Name of government	Van Den Berg Metropolitan District
Street address	P. O. Box 341
City, State, Zip	Ignacio, CO 81137
Contact person	Lowvis Glass
Phone	970 563-9556
Email	lowvisglass@gmail.com

### Certification of Preparer

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge. The preparer must sign prior to board approval.

Name	Lowvis Glass
Title	Accountant
Firm name (if applicable)	Silver Mountain Accounting, LLC
Address	P. O. Box 1273, Ignacio, CO 81137
Phone	970 563-9556
Preparer signature	Date prepared
	

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types.

- Governmental (modified accrual basis)
- Proprietary (cash or budgetary basis)

## Part 1: Revenues

### Part 1A: Revenues Table

All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line	Description	Total (round to nearest dollar)
1-1	Taxes: Property (report mills levied in line 9-12)	
1-2	Specific ownership	
1-3	Sales and use	
	Other (specify in line 1-4):	
1-4		
1-5	Licenses and permits	
1-6	Intergovernmental: Grants	
1-7	Conservation Trust Funds (Lottery)	
1-8	Highway Users Tax Funds (HUTF)	
	Other (specify in line 1-9):	
1-9		
1-10	Charges for services	
1-11	Fines and forfeits	
1-12	Special assessments	
1-13	Investment income	
1-14	Charges for utility services	
1-15	Debt proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-16	Lease proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-17	Developer Advances received (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-18	Proceeds from sale of capital assets	
1-19	Fire and police pension	
1-20	Donations	
	Other (specify in lines 1-21 through 1-24)	
1-21	Property Owner Dues	\$ 29,245
1-22	Bank Interest	\$ 3
1-23		
1-24		
1-25	<b>TOTAL REVENUES</b> (add lines 1-1 through 1-24)	\$ 29,248

**IF TOTAL REVENUES OR TOTAL EXPENDITURES ARE GREATER THAN \$200,000 — STOP.**

You may not use this form. Please use the Application for Exemption from Audit - Long Form.

**Part 1B: Comments or Additional Information**

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Please use the space below to provide any additional information (optional):

## Part 2: Expenditures/Expenses

### Part 2A: Expenditures/Expenses Table

All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line	Description	Total (round to nearest dollar)
2-1	Administrative	
2-2	Salaries	
2-3	Payroll taxes	
2-4	Contract services	\$ 674
2-5	Employee benefits	
2-6	Insurance	\$ 2,472
2-7	Accounting and legal fees	\$ 1,398
2-8	Repair and maintenance	\$ 1,687
2-9	Supplies	\$ 753
2-10	Utilities and telephone	\$ 2,256
2-11	Fire/Police	
2-12	Streets and highways	
2-13	Public health	
2-14	Capital outlay	
2-15	Utility operations	
2-16	Culture and recreation	
2-17	Debt service principal (should agree to Part 3, Debt Schedule Table 'Retired during year')	\$ 2,730
2-18	Debt service interest	\$ 4,750
2-19	Repayment of Developer Advances Principal (should agree to Part 3, Debt Schedule Table, column 'Retired during year')	
2-20	Repayment of Developer Advances Interest	
2-21	Contribution to pension plan	
2-22	Contribution to Fire & Police Pension Association	
2-23	Other (specify in lines 2-24 through 2-27)	
2-24	Water purchases Southern Ute Indian Tribe	\$ 5,367
2-25	Colorado State Water Fee	\$ 86
2-26		
2-27		
2-28	<b>TOTAL EXPENDITURES/EXPENSES</b> (Add lines 2-1 through 2-27)	\$ 22,173

**IF TOTAL REVENUES OR TOTAL EXPENDITURES ARE GREATER THAN \$200,000 — STOP.**

You may not use this form. Please use the Application for Exemption from Audit - Long Form.

**Part 2B: Comments or Additional Information**

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Please use the space below to provide any additional information (optional):

**Part 3: Debt Outstanding, Issued, and Retired**

3-1	Does the entity have outstanding debt?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
3-2	If no, skip to line 3-13. If yes, please attach a copy of the entity's debt repayment schedule.		
3-3	Is the debt repayment schedule attached?	<input type="radio"/> N/A	<input checked="" type="radio"/> Yes <input type="radio"/> No
	If no, MUST explain below.		
3-4	Is the entity current in its debt service payments?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
	If no, MUST explain below.		
3-5	If no, also indicate if the government is in default with its bond agreements.	<input type="radio"/> Yes	<input type="radio"/> No

**Debt Schedule Table**

Please complete the following debt schedule, if applicable.  
Please only include principal amounts. Enter all amounts as positive numbers.

Line	Debt Type	Outstanding at End of Prior Year*	Issued During Year	Retired During Year	Outstanding at Year-End
3-6	General Obligation Bonds				\$ 0
3-7	Revenue Bonds				\$ 0
3-8	Notes/Loans	\$ 107,619	\$ 0	\$ 2,730	\$ 104,889
3-9	Lease & SBITA** Liabilities (GASB 87 & 96)				\$ 0
3-10	Developer Advances				\$ 0
	Other (specify in line 3-11)				
3-11					\$ 0
3-12	<b>TOTAL</b> (Add lines 3-6 through 3-11)	\$ 107,619	\$ 0	\$ 2,730	\$ 104,889

\*Must agree to prior year-end balance  
\*\*Subscription-Based Information Technology Arrangements

Comments (optional)

3-13	Does the entity have any authorized but unissued debt as of its fiscal year-end?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
3-14	If yes, how much?		
3-15	Date the debt was authorized		
3-16	Is the authorized but unissued debt further limited by the entity's most recent Service Plan?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
3-17	If yes, how much?		
3-18	Date of the most recent Service Plan		
3-19	Does the entity intend to issue debt within the next calendar year?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
3-20	If yes, how much?		
3-21	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
3-22	If yes, what is the amount outstanding?		
3-23	Does the entity have any lease agreements?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
3-24	If yes, what is being leased?		
3-25	What is the original date of the lease?		
3-26	Number of years of lease?		
3-27	Is the lease subject to annual appropriation?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
3-28	What are the annual lease payments?		

Please use the space below to provide any additional information (optional):

## Part 4: Cash and Investments

Please provide the entity's cash deposit and investment balances.

Line	Description	Amount
4-1	Year-end Total of all Checking and Savings Accounts	\$ 32,077
4-2	Certificates of deposit	
4-3	<b>TOTAL CASH DEPOSITS</b> (Add lines 4-1 and 4-2)	\$ 32,077
<b>Investments</b> (specify in lines 4-4 through 4-8. If investment is a mutual fund, please list underlying investment.)		
4-4		
4-5		
4-6		
4-7		
4-8		
4-9	<b>Total Investments</b> (Add lines 4-4 through 4-8)	\$ 0
4-10	<b>TOTAL CASH AND INVESTMENTS</b> (Add lines 4-3 and 4-9)	\$ 32,077

4-11	Are the entity's investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input checked="" type="radio"/> N/A	<input type="radio"/> Yes	<input type="radio"/> No
4-12	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input checked="" type="radio"/> Yes	<input type="radio"/> No	
4-13	If no, MUST explain below.			

Please use the space below to provide any additional information (optional).

## Part 5: Capital and Right-to-Use Assets

5-1	Does the entity have capitalized assets? (If "no" is selected, skip the rest of Part 5.)	<input checked="" type="radio"/> Yes	<input type="radio"/> No
5-2	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
5-3	If no, MUST explain below.		

### Capital and Right-to-Use Assets Table

Line	Asset Type	Beginning of the Year Balance*	Additions**	Deletions	Year-End Balance
5-4	Land	\$ 35,593			\$ 35,593
5-5	Buildings				\$ 0
5-6	Machinery and Equipment				\$ 0
5-7	Furniture and Fixtures				\$ 0
5-8	Infrastructure				\$ 0
5-9	Construction In Progress (CIP)				\$ 0
5-10	Leased & SBITA Right-to-Use Assets				\$ 0
	Other (explain in line 5-11)				
5-11	Underground Domestic Water Deliv	\$ 810,157			\$ 810,157
5-12	Accumulated Depreciation/ Amortization (Enter a negative or credit balance)	-\$ 307,398	-\$ 20,254		-\$ 327,652
5-13	<b>TOTAL</b> (Add lines 5-4 through 5-12)	\$ 538,352	-\$ 20,254	\$ 0	\$ 518,098

\*Must agree to prior year-end balance

\*\*Generally capital asset additions should be reported as capital outlay on line 2-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy in the comments section below.

Please use the space below to provide any additional information (optional).

**Part 6: Pension Information**

6-1	Does the entity have an "old hire" firefighters' pension plan?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
6-2	Does the entity have a volunteer firefighters' pension plan?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
6-3	If yes, who administers the plan?		
Indicate the contributions from the following in lines 6-4 through 6-6.			
6-4	Tax (property, specific ownership, sales, etc.)		
6-5	State contribution amount		
6-6	Other (gifts, donations, etc.)		
6-7	<b>TOTAL</b> (Add lines 6-4 through 6-6)		\$ 0
6-8	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?		

Please use the space below to provide any additional information (optional).

**Part 7: Budget Information**

7-1	Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?	<input type="radio"/> N/A	<input checked="" type="radio"/> Yes	<input type="radio"/> No
7-2	If no, MUST explain below.			
7-3	Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.?	<input type="radio"/> N/A	<input checked="" type="radio"/> Yes	<input type="radio"/> No
7-4	If no, MUST explain below.			
If yes, indicate the amount appropriated for each fund separately for the year reported in the table below.				

**Appropriation Amount by Fund Table**

Enter the fund name, then indicate the final amount appropriated for each fund for the year reported. Ensure each individual fund's final appropriated amount agrees to the adopted budget. Do not combine funds.

Line	Governmental/Proprietary Fund Name	Total
7-5	Van Den Berg Metro District - General Account	\$ 22,485
7-6	Van Den Berg USDA Revenue Bond Account	\$ 7,480
7-7		
7-8		
7-9		

Please use the space below to provide any additional information (optional).

**Part 8: Taxpayer's Bill of Rights (TABOR)**

<b>8-1</b>	Is the entity in compliance with all the provisions of TABOR (State Constitution, Article X, Section 20(5))?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
<b>8-2</b>	If no, MUST explain below.		

Note: An election to exempt the entity from the spending limitations of TABOR does not exempt the entity from the 3 percent emergency reserve requirement. All entities should determine if they meet this requirement of TABOR.

Please use the space below to provide any additional information (optional).

**Part 9: General Information**

9-1	Is this application for a newly formed governmental entity?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
9-2	If yes, what was the date of formation		
9-3	Has the entity changed its name in the past or current year?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
9-4	If yes, please list the NEW name below.		
9-5	If yes, please list the PRIOR name below.		
9-6	Is the entity a metropolitan district?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
9-7	Please indicate what services the entity provides below.		
9-8	Does the entity have an agreement with another government to provide services?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
9-9	If yes, list the name of the other governmental entity and the services provided below. Southern Ute Indian Tribe sells the District Potable Water		
9-10	Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during the year? (Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.)	<input type="radio"/> Yes	<input checked="" type="radio"/> No
9-11	If yes, what was the date filed		
9-12	Does the entity have a certified mill levy?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
	If yes, please provide the following mills levied for the year reported in lines 9-13 through 9-14. (Do not report \$ amounts.)		
9-13	Bond redemption mills		
9-14	General/other mills		
9-15	<b>TOTAL MILLS</b> (Add lines 9-13 through 9-14)	0.000	
9-16	If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 (Section 32-1-207 C.R.S.)?	<input checked="" type="radio"/> N/A	<input type="radio"/> Yes <input type="radio"/> No
9-17	If no, please explain below.		

Please use the space below to provide any additional information (optional).

## Part 10: Governing Body Approval

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10-1	If you plan to submit this form electronically, have you read the Electronic Signature Policy?	<input type="radio"/> Yes	<input type="radio"/> No
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### Office of the State Auditor — Local Government Division Exemption Form Electronic Signature Policy and Procedure

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The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or EchoSign. Required elements and safeguards are as follows:


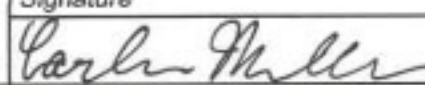



- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards must note their approval and submit the application using one of the following two methods:

- 1) Submit the application in hard copy via U.S. Mail, including original signatures.
- 2) Submit the application electronically via email and either:
  - a. include a copy of an adopted resolution that documents formal approval by the board; or
  - b. include electronic signatures obtained through a software program such as DocuSign or EchoSign, in accordance with the requirements noted above.

### Governing Body Signatures

Print or type the names of all members of current governing body below.  
A majority of the members of the governing body must sign below.

<b>Board Member 1</b>		
Board member's name	Lee Petty	
My term expires on	May 8, 2029	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
		3/15/2026
<b>Board Member 2</b>		
Board member's name	Carla Miller	
My term expires on	May 8, 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
		3/15/2026
<b>Board Member 3</b>		
Board member's name	Lovvis Downs-Glass	
My term expires on	May 8, 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
		3/15/2026
<b>Board Member 4</b>		
Board member's name	Denise Durkan	
My term expires on	May 8, 2026	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
		3/15/2024
<b>Board Member 5</b>		
Board member's name	Joshua Moenning	
My term expires on	May 8, 2029	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
		3/15/2026
<b>Board Member 6</b>		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
<b>Board Member 7</b>		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date

**VAN DEN BERG METROPOLITAN DISTRICT**

P.O. Box 341  
Ignacio, CO 81137  
970 563-9556

Recd  
3/24

March 20, 2026

Office of the State Auditor  
Local Government Audit Division  
1525 Sherman Street, 7<sup>th</sup> Floor  
Denver, CO 80203

RE: Request for Audit Exemption for 2025 calendar year

Dear Sir or Madame:

Enclosed please find the original application for the Van Den Berg Metropolitan District's "Application for Exemption From Audit - *Short Form*" and Resolution No. 2026-3. During the March 15, 2026, open meeting of the Van Den Berg Metropolitan District, the Board of Directors of the District Approved and signed the Application Requesting an Exemption From Audit for Fiscal Year 2025. The enclosed original application is fully executed by the Board members. Our District completed a formal audit for the tax year 2008. This year our District will have less than \$31,000.00 in revenue. All revenue is from the 28 property owner dues; the District does not receive any tax revenue. The District will not receive any additional grants or government loans in the future.

Enclosed are copies of the two loans payable to the United States of America (Rural Utility Service). The District set up a specific PDPA checking account titled VanDenBerg Metropolitan District USDA/Water Revenue Bond Account. This account is only for loan repayment. The District keeps a balance of \$15,000.00 or two years of loan payments in this account.

Thank you for your assistance in this matter. If you have any questions, please feel free to contact me.



Lovvis Glass  
Treasurer  
970 563-9556 or  
lovvisglass@gmail.com

## RESOLUTION NO. 2026-3

A RESOLUTION OF THE VAN DEN BERG METROPOLITAN DISTRICT APPROVES REQUESTING AN EXEMPTION FROM AUDIT FOR FISCAL YEAR 2025, FOR THE STATE OF COLORADO.

WHERE AS, the Board of Directors of the Van Den Berg Metropolitan District wishes to claim exemption from the audit requirement of Section, C.R.S. 29-1-603; and

WHERE AS, Section C.R.S. 29-1-604, states that any local government where neither revenues nor expenditures exceed seven hundred and fifty thousand dollars may, with the approval of the State Auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

WHERE AS, neither revenue nor expenditures for the Van Den Berg Metropolitan District exceed \$200,000 for Fiscal Year 2025; and

WHERE AS, an application for exemption from audit for Van Den Berg Metropolitan District will be prepared by Lovvis Glass, a person skilled in governmental accounting; and

WHERE AS, said application for exemption from audit will be completed in accordance with regulations, issued by the State Auditor.

NOW THEREFORE, be it resolved by the Board of Directors of the Van Den Berg Metropolitan District that the application for exemption from audit for Van Den Berg Metropolitan District for the year ended December 31, 2025, has been personally reviewed and is hereby approved, at an open meeting, by a majority of the Board of Directors of the Van Den Berg Metropolitan District; that those members of the Board of Directors have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of, the application for exemption from audit of the Van Den Berg Metropolitan District for the year ended 2025.

Adopted this 15th day of March, 2026

**VAN DEN BERG METROPOLITAN DISTRICT**

  
\_\_\_\_\_  
Chairman, Lee Petty

  
\_\_\_\_\_  
Vice-Chairman, Carla Miller

No. R-1

\$73,000

UNITED STATES OF AMERICA  
STATE OF COLORADO  
COUNTY OF LA PLATA

VAN DEN BERG METROPOLITAN DISTRICT  
WATER REVENUE BOND, SERIES 2007-1

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>
4.5%	June 1, 2048	December 1, 2007

REGISTERED OWNER: UNITED STATES OF AMERICA

PRINCIPAL AMOUNT: SEVENTY-THREE THOUSAND DOLLARS

Van Den Berg Metropolitan District, in the County of La Plata and State of Colorado, a special district duly organized and existing under the constitution and laws of the State of Colorado, acting by and through the Van Den Berg Metropolitan District Water Enterprise, for value received, hereby promises to pay, solely out of the special accounts hereinafter designated but not otherwise, to the registered owner named above, or registered assigns, in accordance with the payments set forth herein until December 1, 2047 (the "Maturity Date") or on the date of prior redemption, the principal amount specified above. The District shall pay interest only on the amount advanced prior to June 1, 2008. Thereafter the District promises to pay semi-annual payments of principal and interest in the amount of \$1,968 payable on June 1 and December 1 each year, commencing on December 1, 2008. Interest shall be calculated as required by applicable United States of America (Rural Utility Service) ("RUS") regulations. The principal of and interest on this bond shall be paid by check or draft at the RUS office at 655 Parfet Street, Room E-100, Lakewood, CO 80215 or at such other place as may be indicated by RUS, on or before the payment due date, by the District Treasurer, or by any successor, as Paying Agent.

Payment of interest and each installment of principal and interest shall be made to the registered owner hereof whose name shall appear on the registration books of the District maintained by or on behalf of the District by the District Treasurer, or its successor, as Bond Registrar, at the close of business on the fifteenth (15th) day of the calendar month next preceding each interest payment date (the "Record Date")

If the date for making any payment or performing any action shall be a legal holiday or a day on which the principal office of the Paying Agent or Bond Registrar is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which the principal office of the Paying Agent or Bond Registrar is authorized or required by law to remain closed.

This Bond is issued by the Board of Directors of Van Den Berg Metropolitan District, in the County of La Plata and State of Colorado, acting by and through its water enterprise, for the purpose of paying the costs of providing certain water facilities, by virtue of and in full conformity with the Constitution of the State of Colorado; Title 31, Article 35, Part 4, C.R.S.; Title 11, Article 56, C.R.S.; Title 32, Article 1, C.R.S.; Title 11, Article 57, Part 2, C.R.S.; and all other laws of the State of Colorado thereunto enabling, and pursuant to the duly adopted Bond Resolution. Pursuant to §11-56-107(6), C.R.S., and §31-35-413, C.R.S., such recitals shall conclusively impart full compliance with all of the provisions of said statutes, and this Bond issued containing such recital is incontestable for any cause whatsoever after its delivery for value. Pursuant to §11-57-210, C.R.S., such recitals shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value. It is hereby recited, certified, and warranted that all of the requirements of law have been fully complied with by the proper officers in issuing this Bond.

The principal of and interest on this Bond are payable only out of: (i) a special account of the District designated as the "Water Revenue Bond Account", into which the District covenants and agrees to deposit, with the revenues derived from the operation of the District's water facilities after deduction of operations and maintenance costs (the "Net Revenue"), amounts sufficient to pay the principal of and interest on the Bond when the same become due and payable; and (ii) if necessary, a special account of the District designated as the "Water Revenue Bond Reserve Account", all as more particularly set forth in the Bond Resolution. The Bond and the interest thereon constitute an irrevocable and first lien (but not necessarily an exclusive first lien) upon the Net Revenue as defined in the Bond Resolution. Subject to expressed conditions, obligations in addition to this Bond may be issued and made payable from the Net Revenue having a lien thereon subordinate and junior to the lien of the Bond or, subject to additional expressed conditions, having a lien on the Net Revenue on a parity with the lien of this Bond, in accordance with the provisions of the Bond Resolution.

It is hereby recited, certified, and warranted that for the payment of this Bond, the District has created and will maintain the special accounts referred to above, and will deposit therein out of the Net Revenue the amounts specified in the Bond Resolution, and out of such accounts, as an irrevocable charge thereon, will pay the principal of and interest on this Bond in the manner provided by the Bond Resolution.

**THIS BOND DOES NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION, AND SHALL NOT BE CONSIDERED OR HELD TO BE A GENERAL OBLIGATION OF THE DISTRICT.**

Reference is hereby made to the Bond Resolution for an additional description of the nature and extent of the security for the Bonds, the funds and revenues pledged to the payment thereof, the rights and remedies of the registered owners of the Bonds, the manner in which the Bond Resolution may be amended, and the other terms and conditions upon which the Bonds are issued, copies of which are on file for public inspection at the office of the District Secretary.

This Bond, or a portion thereof, is subject to redemption prior to maturity, at the option of the District, on any date, on payment of par and accrued interest, without redemption of premium.

Notice of prior redemption shall be given by mailing a copy of the redemption notice, not less than thirty (30) 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. 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.

So long as the Bond is registered in the name of the United States of America, no escrow may be established for the defeasance of the Bond without the written consent of RUS.


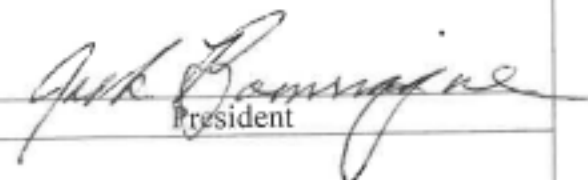

The District and Bond Registrar shall not be required to issue or transfer any Bonds: (a) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first business day following the ensuing interest payment date, or (b) during the period beginning at the opening of business on a date forty-five (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.

The District, the Paying Agent, and the Bond Registrar may deem and treat the registered owner of this Bond as the absolute owner hereof for all purposes (whether or not this Bond shall be overdue), and any notice to the contrary shall not be binding upon the District, the Paying Agent, or the Bond Registrar.

This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Bond Registrar, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Bond Resolution and upon surrender and cancellation of this Bond. This Bond may be transferred upon the registration books upon delivery to the Bond Registrar of this Bond, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the owner of this Bond or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of the Bond, along with the social security number or federal employer identification number of such transferee. In the event of the transfer of this Bond, the Bond Registrar shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time. The Bond Registrar shall charge the owner of this Bond for every such transfer or exchange an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the authorizing Bond Resolution until the certificate of authentication hereon shall have been signed by the Bond Registrar.

IN TESTIMONY WHEREOF, the Board of Directors of Van Den Berg Metropolitan District has caused this Bond to be signed by the facsimile signature of the President of the District, sealed with a facsimile of the seal of the District, and attested by the facsimile signature of the Secretary thereof, all as of 12-1, 2007.

<p>(SEAL)</p>  <p>VAN DEN BERG METROPOLITAN DISTRICT</p>	<p><b>VAN DEN BERG METROPOLITAN DISTRICT, LA PLATA COUNTY, COLORADO</b></p> <p>By:  President</p>
<p>ATTESTED:</p> <p>By:  Secretary</p>	

### CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Bond Resolution.

Date of Registration and Authentication:

**DISTRICT TREASURER**  
Ignacio, Colorado  
as Bond Registrar

  
Authorized Signatory

UNITED STATES OF AMERICA  
STATE OF COLORADO  
COUNTY OF LA PLATA

VAN DEN BERG METROPOLITAN DISTRICT  
WATER REVENUE BOND, SERIES 2008-1

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>
4.375%	June 1, 2049	June 1, 2008

REGISTERED OWNER: UNITED STATES OF AMERICA

PRINCIPAL AMOUNT: SIXTY-FIVE THOUSAND DOLLARS

Van Den Berg Metropolitan District, in the County of La Plata and State of Colorado, a special district duly organized and existing under the constitution and laws of the State of Colorado, acting by and through the Van Den Berg Metropolitan District Water Enterprise, for value received, hereby promises to pay, solely out of the special accounts hereinafter designated but not otherwise, to the registered owner named above, or registered assigns, in accordance with the payments set forth herein until June 1, 2049 (the "Maturity Date") or on the date of prior redemption, the principal amount specified above. The District shall pay interest only from June 1, 2008 to June 1, 2009. Thereafter the District promises to pay semi-annual payments of principal and interest in the amount of \$1,745 payable on December 1 and June 1 each year, commencing on December 1, 2009. Interest shall be calculated as required by applicable United States of America (Rural Utility Service) ("RUS") regulations. The principal of and interest on this bond shall be paid by check or draft at the RUS office at 655 Parfet Street, Room E-100, Lakewood, CO 80215 or at such other place as may be indicated by RUS, on or before the payment due date, by the District Treasurer, or by any successor, as Paying Agent.

Payment of interest and each installment of principal and interest shall be made to the registered owner hereof whose name shall appear on the registration books of the District maintained by or on behalf of the District by the District Treasurer, or its successor, as Bond Registrar, at the close of business on the fifteenth (15th) day of the calendar month next preceding each interest payment date (the "Record Date")

If the date for making any payment or performing any action shall be a legal holiday or a day on which the principal office of the Paying Agent or Bond Registrar is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which the principal office of the Paying Agent or Bond Registrar is authorized or required by law to remain closed.

This Bond is issued by the Board of Directors of Van Den Berg Metropolitan District, in the County of La Plata and State of Colorado, acting by and through its water enterprise, for the purpose of paying the costs of providing certain water facilities, by virtue of and in full conformity with the Constitution of the State of Colorado; Title 31, Article 35, Part 4, C.R.S.; Title 11, Article 56, C.R.S.; Title 32, Article 1, C.R.S.; Title 11, Article 57, Part 2, C.R.S.; and all other laws of the State of Colorado thereunto enabling, and pursuant to the duly adopted Bond Resolution. Pursuant to §11-56-107(6), C.R.S., and §31-35-413, C.R.S., such recitals shall conclusively impart full compliance with all of the provisions of said statutes, and this Bond issued containing such recital is incontestable for any cause whatsoever after its delivery for value. Pursuant to §11-57-210, C.R.S., such recitals shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value. It is hereby recited, certified, and warranted that all of the requirements of law have been fully complied with by the proper officers in issuing this Bond.

The principal of and interest on this Bond are payable only out of: (i) a special account of the District designated as the "Water Revenue Bond Account", into which the District covenants and agrees to deposit, with the revenues derived from the operation of the District's water facilities after deduction of operations and maintenance costs (the "Net Revenue"), amounts sufficient to pay the principal of and interest on the Bond when the same become due and payable; and (ii) if necessary, a special account of the District designated as the "Water Revenue Bond Reserve Account", all as more particularly set forth in the Bond Resolution. The Bond and the interest thereon constitute an irrevocable and first lien (but not necessarily an exclusive first lien) upon the Net Revenue as defined in the Bond Resolution. Subject to expressed conditions, obligations in addition to this Bond may be issued and made payable from the Net Revenue having a lien thereon subordinate and junior to the lien of the Bond or, subject to additional expressed conditions, having a lien on the Net Revenue on a parity with the lien of this Bond, in accordance with the provisions of the Bond Resolution.

It is hereby recited, certified, and warranted that for the payment of this Bond, the District has created and will maintain the special accounts referred to above, and will deposit therein out of the Net Revenue the amounts specified in the Bond Resolution, and out of such accounts, as an irrevocable charge thereon, will pay the principal of and interest on this Bond in the manner provided by the Bond Resolution.

**THIS BOND DOES NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION, AND SHALL NOT BE CONSIDERED OR HELD TO BE A GENERAL OBLIGATION OF THE DISTRICT.**

Reference is hereby made to the Bond Resolution for an additional description of the nature and extent of the security for the Bonds, the funds and revenues pledged to the payment thereof, the rights and remedies of the registered owners of the Bonds, the manner in which the Bond Resolution may be amended, and the other terms and conditions upon which the Bonds are issued, copies of which are on file for public inspection at the office of the District Secretary.

This Bond, or a portion thereof, is subject to redemption prior to maturity, at the option of the District, on any date, on payment of par and accrued interest, without redemption of premium.

Notice of prior redemption shall be given by mailing a copy of the redemption notice, not less than thirty (30) 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. 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.

So long as the Bond is registered in the name of the United States of America, no escrow may be established for the defeasance of the Bond without the written consent of RUS.


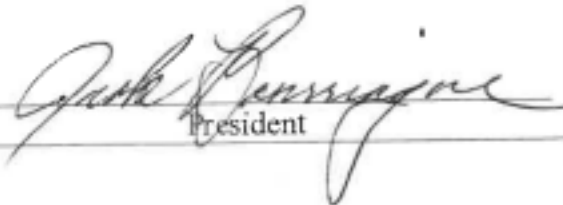

The District and Bond Registrar shall not be required to issue or transfer any Bonds: (a) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first business day following the ensuing interest payment date, or (b) during the period beginning at the opening of business on a date forty-five (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.

The District, the Paying Agent, and the Bond Registrar may deem and treat the registered owner of this Bond as the absolute owner hereof for all purposes (whether or not this Bond shall be overdue), and any notice to the contrary shall not be binding upon the District, the Paying Agent, or the Bond Registrar.

This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Bond Registrar, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Bond Resolution and upon surrender and cancellation of this Bond. This Bond may be transferred upon the registration books upon delivery to the Bond Registrar of this Bond, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the owner of this Bond or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of the Bond, along with the social security number or federal employer identification number of such transferee. In the event of the transfer of this Bond, the Bond Registrar shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time. The Bond Registrar shall charge the owner of this Bond for every such transfer or exchange an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the authorizing Bond Resolution until the certificate of authentication hereon shall have been signed by the Bond Registrar.

**IN TESTIMONY WHEREOF**, the Board of Directors of Van Den Berg Metropolitan District has caused this Bond to be signed by the facsimile signature of the President of the District, sealed with a facsimile of the seal of the District, and attested by the facsimile signature of the Secretary thereof, all as of May 18, 2008.

<p>(SEAL)</p>  <p>A circular seal with the text "VAN DEN BERG METROPOLITAN DISTRICT" around the perimeter.</p>	<p><b>VAN DEN BERG METROPOLITAN DISTRICT, LA PLATA COUNTY, COLORADO</b></p> <p>By:  President</p>
<p>ATTESTED:</p> <p>By:  Secretary</p>	

### CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Bond Resolution.

Date of Registration and Authentication:

**DISTRICT TREASURER**  
Ignacio, Colorado  
as Bond Registrar

  
Authorized Signatory