

STATE OF COLORADO
COUNTY OF PITKIN
BASE VILLAGE METROPOLITAN DISTRICT NO. 1

The Board of Directors of Base Village Metropolitan District No. 1, Pitkin County, Colorado, held a special meeting at 117 Aspen Business Center (ABC), Aspen, Colorado on Thursday, November 30, 2006 at 2:00 p.m.

The following members of the Board of Directors were present:

Donald M. Schuster
Michael H. O'Connor
Robert Matthew Jones
David Corbin

Absent: David E. Bellack (absence excused)

Also present: Victor J. Munteanu, Esq., White, Bear & Ankele, Professional Corporation, General Counsel (via telephone) and Kevin Collins, Clifton Gunderson (via telephone).

Director Jones, Acting Chairman reported that, prior to the meeting, each of the Directors had been notified of the date, time and place of this meeting and the purpose for which it was called. He further reported that this meeting is a special meeting of the Board of Directors of the District and that a Notice of Special Meetings has heretofore been posted at three places within the boundaries of the District and at the Clerk and Recorder's Office in Pitkin County, Colorado and to the best of his knowledge, remains posted to the date of this meeting.

Thereupon, Director Jones introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2007 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH

HEREIN FOR BASE VILLAGE METROPOLITAN DISTRICT NO. 1, PITKIN COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE 1ST DAY OF JANUARY, 2007, AND ENDING ON THE LAST DAY OF DECEMBER, 2007.

WHEREAS, the Board of Directors of Base Village Metropolitan District No. 1 has authorized its staff 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/posted in accordance with law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on Thursday, November 30, 2006, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the Budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BASE VILLAGE METROPOLITAN DISTRICT NO. 1 OF PITKIN COUNTY, COLORADO:

Section 1. Summary of 2007 Revenues and 2007 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2007, as more specifically set forth in the Budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the Budget as submitted, amended, attached hereto and incorporated herein is approved and adopted as the Budget of Base Village Metropolitan District No. 1 for fiscal year 2007. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and or adjust the budget and certification to reflect the recertification without the need for additional board authorization. Any such modification to the budget or certification as contemplated by this paragraph shall be ratified by the board of directors at the next regular meeting.

Section 3. 2007 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money necessary to be collected by the District from property taxes

for the General Fund for operating expenses is – 0 - and that the total valuation for the 2006 assessment year, as certified by the Pitkin County Assessor is \$13,920. That for the purposes of meeting all general operating expenses of the District during the 2007 budget year, there is hereby levied a tax of – 0 - mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2007.

Section 4. 2007 Levy of Debt Property Taxes. That the foregoing budget indicates that the amount of money necessary to be collected by the District from property taxes for Debt for operating expenses is – 0 - and that the total valuation for the 2006 assessment year, as certified by the Pitkin County Assessor is \$13,920. That for the purposes of meeting all Debt expenses of the District during the 2007 budget year, there is hereby levied a tax of – 0 - mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2007.

Section 5. Certification to County Commissioners. That Donald M. Schuster, Secretary of the District, is hereby authorized and directed to immediately certify to the County Commissioners of Pitkin County the mill levies for the District hereinabove determined and set. That said certification shall be in substantially the following form:

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

CERTIFICATION OF TAX LEVIES

BASE VILLAGE METROPOLITAN DIST NO. 1

Page 1.

DISTRICT ID: _____

TO : County Commissioner of Pitkin County, Colorado

For the year 2007, the Board of Directors of the
(governing body)

Base Village Metropolitan District No. 1 hereby certifies a total levy of 0.000 mills to
(unit of government)

be extended by you upon the total assessed valuation of \$ 13,920 to produce

\$ - 0 - in revenue.

The levies and revenues are for the following purposes:

	LEVY	REVENUE
1. General Operating Expense	<u>0.000</u> mills	\$ <u>0.000</u>
2. Refund / Abatements	_____ mills	\$ _____
3. Temporary Tax Credit or Rate Reduction (minus)	< _____ > mills	\$ < _____ >
SUBTOTAL	<u>0.000</u> mills	\$ <u>0.000</u>
4. General Obligation Bonds and Interest		
a. See attached description	<u>0.000</u> mills	\$ <u>0.000</u>
b. See attached description	_____ mills	\$ _____
SUBTOTAL	<u>0.000</u> mills	\$ <u>0.000</u>
5. Contractual Obligations Approved at election	_____ mills	\$ _____
a. See attached description	_____ mills	\$ _____
b. See attached description	_____ mills	\$ _____
SUBTOTAL	_____ mills	\$ _____
6. Capital Expenditures levied pursuant to 29-1-301(1.2) or 29-1-302(1.5) CRS.	_____ mills	\$ _____
7. Other (specify)	_____ mills	\$ _____
TOTAL	<u>0.000</u> mills	\$ <u>0.000</u>

Contact Person: William P. Ankele, Jr. Daytime Telephone Number (303) 858-1800

By: Donald M. Schuster Title Secretary for the District

NOTE: Certification must be to three decimal places only.
Send copy to the Division of Local Government

IF YOU ARE LOCATED IN MORE THAN ONE COUNTY, PLEASE LIST ALL COUNTIES HERE:

N/A

CERTIFICATION OF TAX LEVIES

DISTRICT ID: ____

BASE VILLAGE METROPOLITAN DIST NO. 1

Page 2.

PLEASE SUBMIT THE FOLLOWING INFORMATION FOR EACH GENERAL OBLIGATION BOND:

Purpose of Issue N/A Series _____

Date of Issue _____ Coupon Rate _____

Maturity Date _____

Levy: _____ Revenue: _____

(Show here and on line 4 of Page 1)

Please submit the following information for each contractual obligation:

Title N/A _____

Date of Approval _____ Principal Amount _____

Maturity Date _____

Levy: _____ Revenue: _____

(Show here and on line 5 of Page 1)

The above information is required by 32-1-1603 C.R.S.

Section 6. 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 purpose stated and no other.

Section 7. Budget Certification. That the budget shall be certified by Donald M. Schuster, Secretary of the District, and made a part of the public records of Base Village Metropolitan District No. 1.

The foregoing Resolution was seconded by Director Corbin.

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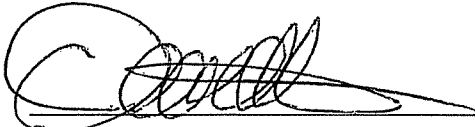
RESOLUTION APPROVED AND ADOPTED THIS 30th DAY OF NOVEMBER, 2006.

BASE VILLAGE METROPOLITAN
DISTRICT NO. 1



Acting President

ATTEST:



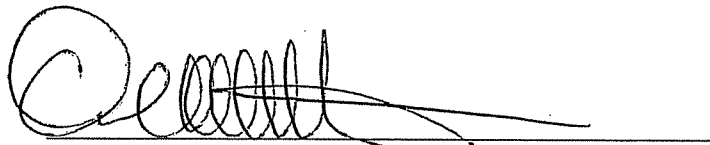
Secretary

STATE OF COLORADO
COUNTY OF PITKIN
BASE VILLAGE METROPOLITAN DISTRICT NO. 1

I, Donald M. Schuster, hereby certify that I am a Director and the duly elected and qualified Secretary of Base Village Metropolitan District No. 1, and that the foregoing constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a special meeting of the Board of Directors of Base Village Metropolitan District No. 1 held on Thursday, November 30, 2006 at 117 Aspen Business Center (ABC), Aspen, Colorado, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2007; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 30th day of November, 2006.

(S E A L)

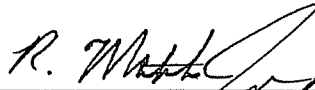


Secretary

**ACKNOWLEDGEMENT OF NOTICE AND
APPROVAL OF RECORD OF PROCEEDINGS**

We, the undersigned members of the Board of Directors of Base Village Metropolitan District No. 1, Pitkin County, Colorado, do hereby acknowledge receipt of proper notice of the special meeting of the Board held Thursday, November 30, 2006, at 2:00 p.m., informing of the date, time and place of the meeting and the purpose for which it was called, and do hereby waive any and all other notices which might be required by law, and we do hereby approve said record of proceedings and the actions taken by the Board as stated therein.





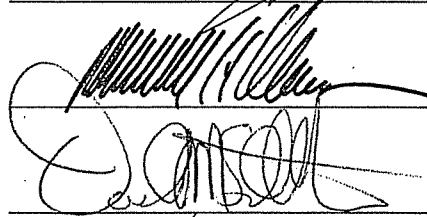




EXHIBIT A
Budget Message
Budget Document

January 16, 2007

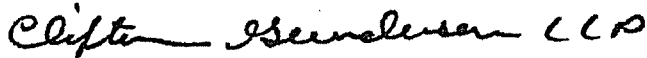
Board of Directors
Base Village Metropolitan District No. 1

Enclosed are copies of the 2007 Budget for the Base Village Metropolitan District No. 1 as adopted by the Board at its meeting on November 30, 2006. By copy of this letter, we are sending two copies of the final budget to William Ankele of White, Bear & Ankele, P.C. who, we understand, will file one copy of the budget with the State Division of Local Government, as required by statute.

Please call if you have any questions.

Very truly yours,

CLIFTON GUNDERSON, LLP

A handwritten signature in cursive script that reads "Clifton Gunderson LLP".

Certified Public Accountants & Consultants

cc: William Ankele

Accountant's Report

Board of Directors
Base Village Metropolitan District No. 1
Pitkin County, Colorado

We have compiled the accompanying forecasted budget of revenue, expenditures and fund balance of the Base Village Metropolitan District No. 1 for the General Fund, Debt Service Fund, and Capital Projects Fund for the year ending December 31, 2007, including the forecasted estimate of comparative information for the year ending December 31, 2006, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying budget of revenue, expenditures, and fund balance or assumptions. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

The actual historical information for the year 2005 is presented for comparative purposes only. Such information is taken from the Application for Exemption from Audit prepared for the year ended December 31, 2005.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to Base Village Metropolitan District No. 1.

Clifton Henderson CPA

Greenwood Village, Colorado
December 1, 2006

BASE VILLAGE METROPOLITAN DISTRICT NO. 1

SUMMARY

FORECASTED 2007 BUDGET AS ADOPTED

WITH 2005 ACTUAL AND 2006 ESTIMATED

For the Years Ended and Ending December 31,

12/1/2006

Page 2

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCES	\$ -	\$ (6,634)	\$ 8,622
REVENUE			
Property taxes	-	-	-
Specific ownership tax	-	-	-
Transfer from Base Village #2	-	113,956	37,512,651
Investment income	170	1,300	720,000
Capital facility fees	-	-	-
Developer advance	50,000	65,000	26,270,651
Bond Proceeds	-	-	-
Miscellaneous	500	-	-
Total revenue	50,670	180,256	64,503,302
TRANSFERS IN	-	-	-
Total funds available	50,670	173,622	64,511,924
EXPENDITURES			
General			
Accounting	17,706	15,000	50,000
Audit	-	-	-
County Treasurer's fees	-	-	-
Director fees	-	-	-
Insurance	2,252	4,128	4,500
Legal	30,000	145,000	95,000
Organization costs	7,346	-	-
Bond issue costs	-	-	-
Repay developer advance	-	-	26,235,651
Miscellaneous	-	-	500
Contingency	-	872	10,000
Debt Service			
Paying agent fees	-	-	-
Bond principal	-	-	-
Bond interest	-	-	-
Letter of credit fees	-	-	-
Capital outlay	-	-	26,235,651
Total expenditures	57,304	165,000	52,631,302
TRANSFERS OUT	-	-	-
Total expenditures and transfers out requiring appropriation	57,304	165,000	52,631,302
ENDING FUND BALANCES	\$ (6,634)	\$ 8,622	\$ 11,880,622

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

12/1/2006

Page 3

ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
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ASSESSED VALUATION

Pitkin County

Residential	\$ -	\$ -	\$ -
Commercial	-	-	-
State assessed	-	-	-
Vacant land	-	13,920	13,920
Personal property	-	-	-

	-	13,920	13,920
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Adjustments

	-	-	-
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Certified Assessed Value

\$ -	\$ 13,920	\$ 13,920
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MILL LEVY

General	0.000	0.000	0.000
Debt Service	0.000	0.000	0.000
Temporary Mill Levy Reduction (pursuant to C.R.S.39-5-121)	0.000	0.000	0.000
Refund and abatements	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000

PROPERTY TAXES

General	\$ -	\$ -	\$ -
Debt Service	-	-	-
Temporary Mill Levy Reduction	-	-	-
Refund and abatements	-	-	-

Levied property taxes

-	-	-
---	---	---

Adjustments to actual/rounding

-	-	-
---	---	---

Budgeted property taxes

\$ -	\$ -	\$ -
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BUDGETED PROPERTY TAXES

General	\$ -	\$ -	\$ -
Debt Service	-	-	-

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
FORECASTED 2007 BUDGET AS ADOPTED
WITH 2005 ACTUAL AND 2006 ESTIMATED
For the Years Ended and Ending December 31,

12/1/2006

Page 4

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCE	\$ -	\$ (6,634)	\$ 8,622
REVENUE			
Property taxes	-	-	-
Specific ownership tax	-	-	-
Investment income	170	1,300	-
Developer advance	50,000	65,000	35,000
Transfer from Base Village #2	-	113,956	414,973
Miscellaneous	500		
Total revenue	50,670	180,256	449,973
TRANSFERS IN			
Capital Projects Fund	-	-	-
Debt Service Fund	-	-	-
Total transfers in	-	-	-
Total funds available	50,670	173,622	458,595
EXPENDITURES			
Accounting	17,706	15,000	30,000
Audit	-	-	-
County Treasurer's fees	-	-	-
Director fees	-	-	-
Insurance	2,252	4,128	4,500
Legal	30,000	145,000	65,000
Organization and administration	7,346	-	-
Miscellaneous	-	-	500
Contingency	-	872	10,000
Total expenditures	57,304	165,000	110,000
TRANSFERS OUT			
Capital Projects Fund	-	-	-
Debt Service Fund	-	-	-
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	57,304	165,000	110,000
ENDING FUND BALANCE	\$ (6,634)	\$ 8,622	\$ 348,595
EMERGENCY RESERVE	\$ -	\$ 3,500	\$ 12,400

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
FORECASTED 2007 BUDGET AS ADOPTED
WITH 2005 ACTUAL AND 2006 ESTIMATED
For the Years Ended and Ending December 31,

12/1/2006

Page 5

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Property taxes	-	-	-
Investment income	-	-	-
Transfer from Base Village #2	-	-	-
Capital facility fees	-	-	-
Total revenue	-	-	-
TRANSFERS IN			
Capital Projects Fund	-	-	-
General Fund	-	-	-
Total transfers in	-	-	-
Total funds available	-	-	-
EXPENDITURES			
County Treasurer's fees	-	-	-
Paying agent fees	-	-	-
Bond principal	-	-	-
Bond interest	-	-	-
Letter of credit fees	-	-	-
Miscellaneous	-	-	-
Contingency	-	-	-
Total expenditures	-	-	-
TRANSFERS OUT			
Capital Projects Fund	-	-	-
General Fund	-	-	-
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
FORECASTED 2007 BUDGET AS ADOPTED
WITH 2005 ACTUAL AND 2006 ESTIMATED
For the Years Ended and Ending December 31,

12/1/2006

Page 6

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Bond proceeds	-	-	-
Transfer from Base Village #2	-	-	37,097,678
Investment income	-	-	720,000
Developer advance	-	-	26,235,651
Total revenue	-	-	64,053,329
TRANSFERS IN			
Debt Service Fund	-	-	-
General Fund	-	-	-
Total transfers in	-	-	-
Total funds available	-	-	64,053,329
EXPENDITURES			
General			
Accounting	-	-	20,000
Legal	-	-	30,000
Organization costs	-	-	-
Bond issue costs	-	-	-
Repay developer advance	-	-	26,235,651
Miscellaneous	-	-	-
Capital outlay	-	-	26,235,651
Total expenditures	-	-	52,521,302
TRANSFERS OUT			
Debt Service Fund	-	-	-
General Fund	-	-	-
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	52,521,302
ENDING FUND BALANCE	\$ -	\$ -	\$ 11,532,027

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
2007 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District was organized by Court Order in December 2004, to provide financing for the design, acquisition, installation and construction of streets, drainage, traffic and safety controls, park and recreation, transportation, and mosquito and pest control. The District's service area is located entirely within the Town of Snowmass Village (the "Town"), in Pitkin County, Colorado. Under the Consolidated Service Plan, the District is the Service District and is related to Base Village Metropolitan District No. 2 (Base Village No. 2), which serves as the Financing District. The Service District is responsible for management of the construction of all facilities and improvements and for operation and maintenance of all improvements not conveyed to the Town. The Financing District provides the funding for infrastructure improvements and the tax base needed to support ongoing operations.

The District entered into a funding agreement on July 27, 2005 with the Developer to fund operating and administrative costs and capital costs until other revenues are available to the District. The advances recognized under this agreement will bear simple interest at a rate of 8%. The construction of District facilities is expected to be financed by the issuance of bonded debt.

The District prepares its budget on the modified accrual basis of accounting.

Revenue

Transfer from Base Village No. 2

Under the intergovernmental agreement, the Financing District is obligated to transfer revenues to the Service District to provide for administrative costs and debt service costs.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4%.

Developer Advances

Operating and administrative costs, as well as capital costs for 2007, are to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 1
2007 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

(Continued)

Expenditures

Administrative Expenditures

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

Capital Outlay

Anticipated expenditures for capital outlay in 2007 are detailed on page 6 of the budget.

Debt and Leases

The District has no operating or capital leases.

Reserve Funds

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2007, defined under TABOR.

This information is an integral part of the accompanying forecasted budget.

STATE OF COLORADO
COUNTY OF PITKIN
BASE VILLAGE METROPOLITAN DISTRICT NO. 2

The Board of Directors of Base Village Metropolitan District No. 2, Pitkin County, Colorado, held a special meeting at 117 Aspen Business Center (ABC), Aspen, Colorado on Thursday, November 30, 2006 at 2:00 p.m.

The following members of the Board of Directors were present:

Donald M. Schuster
Robert Matthew Jones
Michael H. O'Connor
David Corbin

Absent: David E. Bellack (absence excused)

Also present: Victor J. Munteanu, Esq., White, Bear & Ankele, Professional Corporation, General Counsel (via telephone) and Kevin Collins, Clifton Gunderson (via telephone).

Director Jones, Acting Chairman reported that, prior to the meeting, each of the Directors had been notified of the date, time and place of this meeting and the purpose for which it was called. He further reported that this meeting is a special meeting of the Board of Directors of the District and that a Notice of Special Meetings has heretofore been posted at three places within the boundaries of the District and at the Clerk and Recorder's Office in Pitkin County, Colorado and to the best of his knowledge, remains posted to the date of this meeting.

Thereupon, Director Jones introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2007 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH

HEREIN FOR BASE VILLAGE METROPOLITAN DISTRICT NO. 2, PITKIN COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE 1ST DAY OF JANUARY, 2007, AND ENDING ON THE LAST DAY OF DECEMBER, 2007.

WHEREAS, the Board of Directors of Base Village Metropolitan District No. 2 has authorized its staff 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/posted in accordance with law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on Thursday, November 30, 2006, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the Budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BASE VILLAGE METROPOLITAN DISTRICT NO. 2 OF PITKIN COUNTY, COLORADO:

Section 1. Summary of 2007 Revenues and 2007 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2007, as more specifically set forth in the Budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the Budget as submitted, amended, attached hereto and incorporated herein is approved and adopted as the Budget of Base Village Metropolitan District No. 2 for fiscal year 2007. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and or adjust the budget and certification to reflect the recertification without the need for additional board authorization. Any such modification to the budget or certification as contemplated by this paragraph shall be ratified by the board of directors at the next regular meeting.

Section 3. 2007 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money necessary to be collected by the District from property taxes

for the General Fund for operating expenses is \$406,665 and that the total valuation for the 2006 assessment year, as certified by the Pitkin County Assessor is \$13,785,250. That for the purposes of meeting all general operating expenses of the District during the 2007 budget year, there is hereby levied a tax of 29.500 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2007.

Section 4. 2007 Levy of Debt Property Taxes. That the foregoing budget indicates that the amount of money necessary to be collected by the District from property taxes for Debt for operating expenses is – 0 - and that the total valuation for the 2006 assessment year, as certified by the Pitkin County Assessor is \$13,785,250. That for the purposes of meeting all Debt expenses of the District during the 2007 budget year, there is hereby levied a tax of – 0 - mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2007.

Section 5. Certification to County Commissioners. That Donald M. Schuster, Secretary of the District, is hereby authorized and directed to immediately certify to the County Commissioners of Pitkin County the mill levies for the District hereinabove determined and set. That said certification shall be in substantially the following form:

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

CERTIFICATION OF TAX LEVIES

BASE VILLAGE METROPOLITAN DIST NO. 2

Page 1.

DISTRICT ID: _____

TO : County Commissioner of Pitkin County, Colorado

For the year 2007, the Board of Directors of the
(governing body)

Base Village Metropolitan District No. 2 hereby certifies a total levy of 29.500 mills to
(unit of government)

be extended by you upon the total assessed valuation of \$ 13,785,250 to produce

\$ 406,665 in revenue.

The levies and revenues are for the following purposes:

	LEVY	REVENUE
1. General Operating Expense	<u>29.500</u> mills	\$ <u>406,665</u>
2. Refund / Abatements	_____ mills	\$ _____
3. Temporary Tax Credit or Rate Reduction (minus)	< _____ > mills	\$ < _____ >
SUBTOTAL	<u>29.500</u> mills	\$ <u>406,665</u>
4. General Obligation Bonds and Interest		
a. See attached description	_____ mills	\$ _____
b. See attached description	_____ mills	\$ _____
SUBTOTAL	<u>0.000</u> mills	\$ <u>0.000</u>
5. Contractual Obligations Approved at election	_____ mills	\$ _____
a. See attached description	_____ mills	\$ _____
b. See attached description	_____ mills	\$ _____
SUBTOTAL	_____ mills	\$ _____
6. Capital Expenditures levied pursuant to 29-1-301(1.2) or 29-1-302(1.5) CRS.	_____ mills	\$ _____
7. Other (specify)	_____ mills	\$ _____
TOTAL	<u>29.500</u> mills	\$ <u>406,665</u>

Contact Person: William P. Ankele, Jr. Daytime Telephone Number (303) 858-1800

By: Donald M. Schuster Title Secretary for the District

NOTE: Certification must be to three decimal places only.
Send copy to the Division of Local Government

IF YOU ARE LOCATED IN MORE THAN ONE COUNTY, PLEASE LIST ALL COUNTIES HERE:

N/A

CERTIFICATION OF TAX LEVIES

DISTRICT ID: _____

BASE VILLAGE METROPOLITAN DIST NO. 2

Page 2.

PLEASE SUBMIT THE FOLLOWING INFORMATION FOR EACH GENERAL OBLIGATION BOND:

Purpose of Issue N/A Series

Date of Issue _____ Coupon Rate _____

Maturity Date _____

Levy: _____ Revenue: _____

(Show here and on line 4 of Page 1)

Please submit the following information for each contractual obligation:

Title	N/A
-------	-----

Date of Approval _____ Principal Amount _____

Maturity Date _____

Levy: _____ Revenue: _____

(Show here and on line 5 of Page 1)

The above information is required by 32-1-1603 C.R.S.

Section 6. 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 purpose stated and no other.

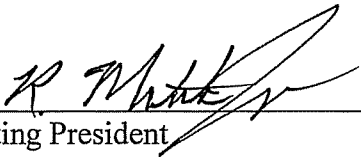
Section 7. Budget Certification. That the budget shall be certified by Donald M. Schuster, Secretary of the District, and made a part of the public records of Base Village Metropolitan District No. 2.

The foregoing Resolution was seconded by Director Corbin.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

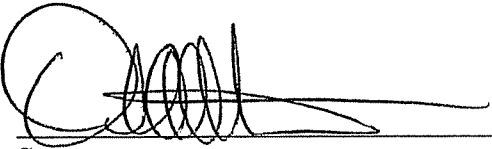
RESOLUTION APPROVED AND ADOPTED THIS 30th DAY OF NOVEMBER, 2006.

BASE VILLAGE METROPOLITAN
DISTRICT NO. 2



Acting President

ATTEST:

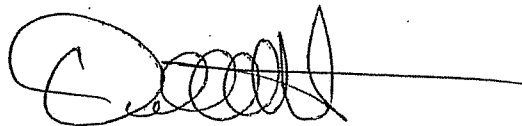


Secretary

STATE OF COLORADO
COUNTY OF PITKIN
BASE VILLAGE METROPOLITAN DISTRICT NO. 2

I, Donald M. Schuster, hereby certify that I am a Director and the duly elected and qualified Secretary of Base Village Metropolitan District No. 2, and that the foregoing constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a special meeting of the Board of Directors of Base Village Metropolitan District No. 2 held on Thursday, November 30, 2006 at 2:00 p.m. at 117 Aspen Business Center (ABC), Aspen, Colorado as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2007; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 30th day of November, 2006.

A handwritten signature in black ink, appearing to read 'Donald M. Schuster', written over a horizontal line.

Secretary

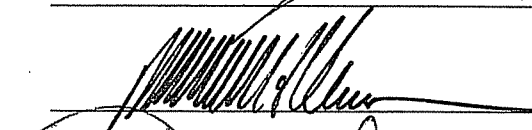
(S E A L)

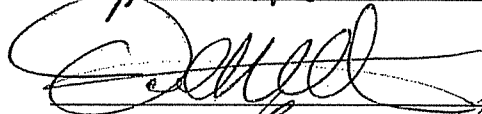
**ACKNOWLEDGEMENT OF NOTICE AND
APPROVAL OF RECORD OF PROCEEDINGS**

We, the undersigned members of the Board of Directors of Base Village Metropolitan District No. 2, Pitkin County, Colorado, do hereby acknowledge receipt of proper notice of the special meeting of the Board held Thursday, November 30, 2006 at 2:00 p.m. at 117 Aspen Business Center (ABC), Aspen, Colorado, informing of the date, time and place of the meeting and the purpose for which it was called, and do hereby waive any and all other notices which might be required by law, and we do hereby approve said record of proceedings and the actions taken by the Board as stated therein.









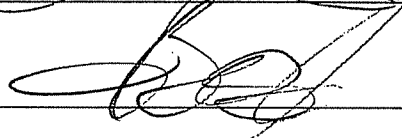


EXHIBIT A
Budget Message
Budget Document

January 16, 2007

Board of Directors
Base Village Metropolitan District No. 2

Enclosed are copies of the 2007 Budget for the Base Village Metropolitan District No. 2 as adopted by the Board at its meeting on November 30, 2006. By copy of this letter, we are sending two copies of the final budget to William Ankele of White, Bear & Ankele, P.C. who, we understand, will file one copy of the budget with the State Division of Local Government, as required by statute.

Please call if you have any questions.

Very truly yours,

CLIFTON GUNDERSON, LLP

A handwritten signature in cursive script that reads "Clifton Gunderson LLP".

Certified Public Accountants & Consultants

cc: William Ankele

Accountant's Report

Board of Directors
Base Village Metropolitan District No. 2
Pitkin County, Colorado

We have compiled the accompanying forecasted budget of revenue, expenditures, and fund balance of the Base Village Metropolitan District No. 2 for the General Fund, Debt Service Fund and Capital Projects Fund for the year ending December 31, 2007, including the forecasted estimate of comparative information for the year ending December 31, 2006, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying budget of revenue, expenditures, and fund balance or assumptions. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

The actual historical information for the year 2005 is presented for comparative purposes only. Such information is taken from the Application for Exemption from Audit prepared for the year ended December 31, 2005.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to Base Village Metropolitan District No. 2.

Clifton Henderson CPA

Greenwood Village, Colorado
December 1, 2006

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

SUMMARY

FORECASTED 2007 BUDGET AS ADOPTED WITH 2005 ACTUAL AND 2006 ESTIMATED

For the Years Ended and Ending December 31,

12/1/2006

Page 2

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUE			
Property taxes	-	114,004	414,973
Specific ownership tax	-	5,652	20,750
Bond Proceeds	-	-	44,500,000
Investment income	-	-	125,000
Capital facility fee	-	-	70,000
Total revenue	-	119,656	45,130,723
TRANSFERS IN	-	-	5,740,500
Total funds available	-	119,656	50,871,223
EXPENDITURES			
General			
Accounting	-	-	-
Audit	-	-	-
County Treasurer's fees	-	5,700	20,750
Organization costs	-	-	-
Bond issue costs	-	-	1,661,822
Miscellaneous	-	-	-
Contingency	-	-	2,749
Debt Service			
Paying agent fees	-	-	5,000
Bond principal	-	-	20,000
Bond interest	-	-	1,660,688
Letter of credit fees	-	-	553,563
Transfer to Base Village #1	-	113,956	37,512,651
Total expenditures	-	119,656	41,437,223
TRANSFERS OUT	-	-	5,740,500
Total expenditures and transfers out requiring appropriation	-	119,656	47,177,723
ENDING FUND BALANCES	\$ -	\$ -	\$ 3,693,500

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

12/1/2006

Page 3

ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
----------------	-------------------	-----------------

ASSESSED VALUATION

Pitkin County

Residential

\$ - \$ - \$ -

Commercial

- - -

State assessed

- - -

Vacant land

- 13,785,250 14,066,870

Personal property

- - -

- 13,785,250 14,066,870

Adjustments

- - -

Certified Assessed Value

\$ - \$ 13,785,250 \$ 14,066,870

MILL LEVY

General

0.000 8.270 29.500

Debt Service

0.000 0.000 0.000

Temporary Mill Levy Reduction
(pursuant to C.R.S.39-5-121)

0.000 0.000 0.000

Refund and abatements

0.000 0.000 0.000

Total mill levy

0.000 8.270 29.500

PROPERTY TAXES

General

\$ - \$ 114,004 \$ 414,973

Debt Service

- - -

Temporary Mill Levy Reduction

- - -

Refund and abatements

- - -

Levied property taxes

- 114,004 414,973

Adjustments to actual/rounding

- (4) -

Budgeted property taxes

\$ - \$ 114,000 \$ 414,973

BUDGETED PROPERTY TAXES

General

\$ - \$ 114,004 \$ 414,973

Debt Service

- - -

\$ - \$ 114,004 \$ 414,973

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

GENERAL FUND

**FORECASTED 2007 BUDGET AS ADOPTED
WITH 2005 ACTUAL AND 2006 ESTIMATED**

For the Years Ended and Ending December 31,

12/1/2006

Page 4

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Property taxes	-	114,004	414,973
Specific ownership tax	-	5,652	20,750
Investment income	-	-	-
System development fees	-	-	-
Developer advance -operations	-	-	-
Total revenue	-	119,656	435,723
TRANSFERS IN			
Capital Projects Fund	-	-	-
Debt Service Fund	-	-	-
Total transfers in	-	-	-
Total funds available	-	119,656	435,723
EXPENDITURES			
Accounting	-	-	-
Audit	-	-	-
County Treasurer's fees	-	5,700	20,750
Organization and administration	-	-	-
Transfer to Base Village #1	-	113,956	414,973
Miscellaneous	-	-	-
Contingency	-	-	-
Total expenditures	-	119,656	435,723
TRANSFERS OUT			
Capital Projects Fund	-	-	-
Debt Service Fund	-	-	-
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	-	119,656	435,723
ENDING FUND BALANCE	\$ -	\$ -	\$ -
EMERGENCY RESERVE	\$ -	\$ -	\$ -

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

DEBT SERVICE FUND

FORECASTED 2007 BUDGET AS ADOPTED WITH 2005 ACTUAL AND 2006 ESTIMATED

For the Years Ended and Ending December 31,

12/1/2006

Page 5

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Property taxes	-	-	-
Investment income	-	-	125,000
Capital facility fee	-	-	70,000
Bond proceeds	-	-	-
Total revenue	-	-	195,000
TRANSFERS IN			
Capital Projects Fund	-	-	5,740,500
General Fund	-	-	-
Total transfers in	-	-	5,740,500
Total funds available	-	-	5,935,500
EXPENDITURES			
County Treasurer's fees	-	-	-
Paying agent fees	-	-	5,000
Bond principal	-	-	20,000
Bond interest	-	-	1,660,688
Letter of credit fees	-	-	553,563
Miscellaneous	-	-	-
Contingency	-	-	2,749
Total expenditures	-	-	2,242,000
TRANSFERS OUT			
Capital Projects Fund	-	-	-
General Fund	-	-	-
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	2,242,000
ENDING FUND BALANCE	\$ -	\$ -	\$ 3,693,500

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
FORECASTED 2007 BUDGET AS ADOPTED
WITH 2005 ACTUAL AND 2006 ESTIMATED
For the Years Ended and Ending December 31,

12/1/2006

Page 6

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Bond proceeds		-	44,500,000
Investment income	-	-	-
System development fees	-	-	-
Developer advance-construction	-	-	-
Total revenue	-	-	44,500,000
TRANSFERS IN			
Debt Service Fund	-	-	-
General Fund	-	-	-
Total transfers in	-	-	-
Total funds available	-	-	44,500,000
EXPENDITURES			
General			
Accounting	-	-	-
Legal	-	-	-
Organization costs	-	-	-
Bond issue costs	-	-	1,661,822
Miscellaneous	-	-	-
Transfer to Base Village #1	-	-	37,097,678
Total expenditures	-	-	38,759,500
TRANSFERS OUT			
Debt Service Fund	-	-	5,740,500
General Fund	-	-	-
Total transfers out	-	-	5,740,500
Total expenditures and transfers out requiring appropriation	-	-	44,500,000
ENDING FUND BALANCE	\$ -	\$ -	\$ -

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
2007 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District was organized by Court Order in December 2004, to provide financing for the design, acquisition, installation and construction of streets, drainage, traffic and safety controls, park and recreations, transportation, and mosquito control. The District's service area is located entirely within the Town of Snowmass Village (the "Town"), in Pitkin County, Colorado. Under the Consolidated Service Plan, the District is the Financing District related to Base Village Metropolitan District No. 1 (Base Village No. 1), which serves as the Service District. The Service District is responsible for management of the construction of all facilities and improvements and for operation and maintenance of all improvements not conveyed to the Town. The Financing District provides the funding for infrastructure improvements and the tax base needed to support ongoing operations.

Operations and administrative costs of the District are funded by the Service District pursuant to an intergovernmental agreement between the two Districts. Under the intergovernmental agreement, the Service District is also responsible for coordinating the funding and construction of public improvements for the District. The District will provide the primary revenue stream for any bonds or other obligations issued to fund the public improvements.

The District prepares its budget on the modified accrual basis of accounting.

Revenue

Property Taxes

Per the executed Intergovernmental Agreement (the "Agreement") between the Snowmass Village GID, Base Village No. 1 and the District, a mill levy of 29.500 mills will be levied as displayed on page 3. The Agreement provides that for years 2006, 2007, and 2008 the mill levy of 29.500 mills will be used to fund operations and maintenance in Base Village No. 1.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The forecast assumes that the District's share will be equal to approximately 5% of the property taxes collected.

Capital facility fee

A fee of approximately \$5,000 will be collected upon the sale of each residential living unit and used to pay interest on the Bonds.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2
2007 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

(Continued)

Bond Proceeds

The District anticipates issuing bonds during 2007. The budget assumes the amount of \$44,500,000 will be issued in 2007.

Expenditures

Debt Service

Key components of the Bond deal, such as interest rates, call provisions, and the repayment schedule of the Bonds will be negotiated with potential bond purchasers at the time of debt issuance.

Bond Issue Costs

The District anticipates \$1,661,822 in costs related to the issuance of the Series 2007 General Obligation Bonds.

Debt and Leases

The District currently has no outstanding debt nor any capital or operating leases.

Reserve Funds

Pursuant to the intergovernmental agreement, as noted above, the revenue is remitted to District No. 1, which has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2007, as defined under TABOR.

This information is an integral part of the accompanying forecasted budget.