BUDGET RESOLUTION
(2008)

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) *ss.*
COUNTY OF PITKIN)

The Board of Directors of Base Village Metropolitan District No. 2, County of Pitkin, Colorado (the "District") held a regular meeting at 132 West Main Street, Suite 1, Aspen, Colorado, on Wednesday, November 28, 2007, at the hour of 2:00 P.M.

The following members of the Board of Directors (the "Board") were present:

Shawn Gleason
Scott William Stenman
Steven Louis Farmer

Absent: William Carey Shanks and B. Joseph Krabacher (absences excused)

Also present were: William P. Ankele, Jr., Esq., and Victor J. Munteanu, Esq., White, Bear & Ankele, Professional Corporation (via telephone); and Kevin Collins and Sarah Hunsche, Clifton Gunderson (via telephone).

Director Gleason reported that, prior to the meeting, legal counsel notified each of the directors of the date, time and place of the budget meeting and the purpose for which it was called. He further reported that this is a regular meeting of the Board and that a notice of regular meeting was posted in three (3) locations within the boundaries of the District and at the Clerk and Recorders' Office for Pitkin County, Colorado, and, to the best of his knowledge, remains posted to the date of this meeting.

NOTICE AS TO PROPOSED 2008 BUDGET

Snowmass Village

P.O. Box 5770, Snowmass Village, Colorado 81615

PROOF OF PUBLICATION

STATE OF COLORADO)
) ss.
COUNTY OF PITKIN)

I, *Jenna Weatherred* do solemnly swear that I am PUBLISHER of THE SNOWMASS VILLAGE SUN; that the same is a weekly newspaper printed, in whole or in part, and published in the County of PITKIN, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Pitkin for a period of more than fifty-two consecutive weeks next prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of ONE consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated November 28 A.D., 2007, and the last publication of said notice was in the issue of said newspaper dated November 28 A. D. 20 07.

In witness whereof I have hereunto set my hand.

Publisher

Subscribed and sworn to before me, a notary public in and for the County of Pitkin, State of Colorado, this 4th day of Dec A.D., 20 07.

(SEAL)

Dorothy R. Wolcott

Notary Public

My Commission expires ________

NOTARY PUBLIC
DOROTHY R. WOLCOTT
STATE OF COLORADO

My Commission Expires 10/06/2010

PUBLIC NOTICE
NOTICE AS TO PROPOSED 2008 BUDGETS
AND
NOTICE AS TO AMENDED 2007 BUDGETS

NOTICE IS HEREBY GIVEN that proposed budgets have been submitted to the BASE VILLAGE METROPOLITAN DISTRICT NOS. 1&2 (collectively the "Districts") for the year of 2008. A copy of each of the proposed budgets is on file in the office of Clifton Gunderson, LLP, 8390 East Crescent Parkway, Suite 600, Greenwood Village, Colorado, where the same are open for public inspection.

NOTICE IS FURTHER GIVEN that amendments to the 2007 budgets have been submitted to the Districts. A copy of each of the proposed amended budgets is on file in the office of Clifton Gunderson, LLP, 8390 East Crescent Parkway, Suite 600, Greenwood Village, Colorado, where the same are open for public inspection.

Such proposed budgets and amended budgets will be considered at a regular meeting of the Districts to be held at **132 West Main Street, Suite A, Aspen, Colorado, on Wednesday, November 28, 2007 at 2:00 P.M.** Any interested elector of the Districts may inspect the proposed budgets and amended budgets and file or register any objections at any time prior to final adoption of the budgets and amended budgets.

BY ORDER OF THE BOARDS OF DIRECTORS:
BASE VILLAGE METROPOLITAN DISTRICT
NOS. 1&2

PUBLISHED IN: Snowmass Sun
PUBLISHED ON: Wednesday, November 28, 2007.
Published in the Snowmass Sun on November 28, 2007. (902201)

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

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2008 AND ENDING ON THE LAST DAY OF DECEMBER 2008.

WHEREAS, the Board has authorized its treasurer, accountant and/or legal counsel to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, published in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on Wednesday, November 28, 2007, and interested electors 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 § 29-1-101, *et seq.*, C.R.S., as applicable, and Article X, § 20 of the Colorado Constitution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Summary of 2008 Revenues and 2008 Expenditures. The estimated revenues and expenditures for each fund for fiscal year 2008, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. The budget as submitted, amended, attached hereto and incorporated herein is approved and adopted as the budget of the District fiscal year 2008. 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 Section 2 shall be deemed ratified by the Board.

Section 3. 2008 Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2008 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.

Section 4. 2008 Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2008 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. 2008 Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2008 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Pitkin County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 7. Appropriations. The amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto and incorporated herein, are hereby appropriated for the purposes thereof and no other.

Section 8. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 9. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Farmer.

[Remainder of page intentionally left blank].

RESOLUTION APPROVED AND ADOPTED THIS 28th DAY OF NOVEMBER 2007.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

President

ATTEST:

Secretary

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

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a District meeting held on Wednesday, November 28, 2007, at 132 West Main Street, Suite A, Aspen, Colorado 81611, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 28th day of November 2007.

Secretary

EXHIBIT A

BUDGET DOCUMENT

BUDGET MESSAGE

Clifton Gunderson LLP
Certified Public Accountants & Consultants

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, 2008, including the forecasted estimate of comparative information for the year ending December 31, 2007, 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 2006 is presented for comparative purposes only. Such information is taken from the Application for Exemption from Audit prepared for the year ended December 31, 2006.

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 Gunderson LLP

Greenwood Village, Colorado
December 1, 2007

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
SUMMARY
FORECASTED 2008 BUDGET AS ADOPTED
WITH 2006 ACTUAL AND 2007 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2006	ESTIMATED 2007	ADOPTED 2008
BEGINNING FUND BALANCES	$ -	$ -	$ -
REVENUE			
Property taxes	114,004	414,973	495,450
Specific ownership tax	5,791	20,750	24,773
Bond Issuance	-	-	47,750,000
Investment income	-	-	302,570
Capital facility fee	-	-	396,550
Total revenue	119,795	435,723	48,969,343
TRANSFERS IN	-	-	7,485,454
Total funds available	119,795	435,723	56,454,797
EXPENDITURES			
General			
County Treasurer's fees	5,700	20,736	24,773
Bond issue costs	-	-	1,764,546
Contingency	-	-	2,918
Debt Service			
Paying agent fees	-	-	92,950
Bond interest	-	-	1,951,635
Letter of credit fees	-	-	693,497
Transfer to Base Village #1	114,095	414,987	38,995,450
Total expenditures	119,795	435,723	43,525,769
TRANSFERS OUT	-	-	7,485,454
Total expenditures and transfers out requiring appropriation	119,795	435,723	51,011,223
ENDING FUND BALANCES	$ -	$ -	$ 5,443,574

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,

12/1/2007
Page 3

	ACTUAL 2006	ESTIMATED 2007	ADOPTED 2008
ASSESSED VALUATION			
Pitkin County			
Residential	$ -	$ -	$ 1,445,430
Commercial	-	-	3,209,450
State assessed	-	-	-
Vacant land	13,785,250	14,066,870	12,140,050
Personal property	-	-	-
	13,785,250	14,066,870	16,794,930
Adjustments	-	-	-
Certified Assessed Value	$ 13,785,250	$ 14,066,870	$ 16,794,930
MILL LEVY			
General	8.270	29.500	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	8.270	29.500	29.500
PROPERTY TAXES			
General	$ 114,004	$ 414,973	$ 495,450
Debt Service	-	-	-
Temporary Mill Levy Reduction	-	-	-
Refund and abatements	-	-	-
Levied property taxes	114,004	414,973	495,450
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	$ 114,004	$ 414,973	$ 495,450
BUDGETED PROPERTY TAXES			
General	$ 114,004	$ 414,973	$ 495,450
Debt Service	-	-	-
	$ 114,004	$ 414,973	$ 495,450

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 2008 BUDGET AS ADOPTED
WITH 2006 ACTUAL AND 2007 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2006	ESTIMATED 2007	ADOPTED 2008
BEGINNING FUND BALANCE	$ -	$ -	$ -
REVENUE			
Property taxes	114,004	414,973	495,450
Specific ownership tax	5,791	20,750	24,773
Total revenue	119,795	435,723	520,223
Total funds available	119,795	435,723	520,223
EXPENDITURES			
County Treasurer's fees	5,700	20,736	24,773
Transfer to Base Village #1	114,095	414,987	495,450
Total expenditures	119,795	435,723	520,223
Total expenditures and transfers out requiring appropriation	119,795	435,723	520,223
ENDING FUND BALANCE	$ -	$ -	$ -
EMERGENCY RESERVE	$ -	$ -	$ -

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
FORECASTED 2008 BUDGET AS ADOPTED
WITH 2006 ACTUAL AND 2007 ESTIMATED
For the Years Ended and Ending December 31,

12/1/2007

	ACTUAL 2006	ESTIMATED 2007	ADOPTED 2008
BEGINNING FUND BALANCE	$ -	$ -	$ -
REVENUE			
Investment income	-	-	302,570
Capital facility fee	-	-	396,550
Total revenue	-	-	699,120
TRANSFERS IN			
Capital Projects Fund	-	-	7,485,454
Total transfers in	-	-	7,485,454
Total funds available	-	-	8,184,574
EXPENDITURES			
Paying agent/Remarketing fees	-	-	92,950
Bond interest	-	-	1,951,635
Letter of credit fees	-	-	693,497
Contingency	-	-	2,918
Total expenditures	-	-	2,741,000
Total expenditures and transfers out requiring appropriation	-	-	2,741,000
ENDING FUND BALANCE	$ -	$ -	$ 5,443,574

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 2008 BUDGET AS ADOPTED
WITH 2006 ACTUAL AND 2007 ESTIMATED
For the Years Ended and Ending December 31,

12/1/2007

	ACTUAL 2006	ESTIMATED 2007	ADOPTED 2008
BEGINNING FUND BALANCE	$ -	$ -	$ -
REVENUE			
Bond Issuance	-	-	47,750,000
Total revenue	-	-	47,750,000
Total funds available	-	-	47,750,000
EXPENDITURES			
General			
Bond issue costs	-	-	1,764,546
Transfer to Base Village #1	-	-	38,500,000
Total expenditures	-	-	40,264,546
TRANSFERS OUT			
Debt Service Fund	-	-	7,485,454
Total transfers out	-	-	7,485,454
Total expenditures and transfers out requiring appropriation	-	-	47,750,000
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
2008 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 $5,150 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
2008 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

(Continued)

Bond Proceeds

The District anticipates issuing bonds during 2008. The budget assumes the amount of $47,750,000 will be issued in 2008.

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 $1,764,546 in costs related to the issuance of the Series 2008 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 2008, as defined under TABOR.

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