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,

12/1/2007

	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

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

	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

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,

	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

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,

	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	$ -	$ -	$ -

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.

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.