2012 ANNUAL REPORT

FOR

BASE VILLAGE METROPOLITAN DISTRICT NOS. 1-2

April 1, 2013

BASE VILLAGE METROPOLITAN DISTRICT NOS. 1 - 2

2012 ANNUAL REPORT

Pursuant to the Amended and Restated Consolidated Service Plan for Base Village Metropolitan District No. 1 and Base Village Metropolitan District No. 2 dated October 17, 2006 (the "Service Plan"), and § 32-1-207(3), C.R.S., the Districts are required to file this Annual Report with the Town of Snowmass Village, the Division of Local Government and the State Auditor. This report shall also be deposited with the office of the Pitkin County Clerk & Recorder for public inspection.

A. District Boundaries. There were no District boundary adjustments in 2012.

B. Intergovernmental Agreements. During 2012, the Districts entered into the following intergovernmental agreement:

1. Second Amendment to Letter of Credit Reimbursement Agreement (Series A Bonds), dated as of June 7, 2012.

C. The Districts' Policies and Operations. No material changes to the Districts' policies and operations occurred during 2012.

D. Litigation. The Districts were not parties to any litigation matters in 2012.

E. Material Changes in Financial Status. The 2012 annual audit is in process and the Audit Report will be furnished following approval.

F. Proposed Plans for 2012. The Districts will continue to conduct its affairs in accordance with the adopted 2013 Budget

G. Construction of Public Improvements. The District has completed miscellaneous minor public safety and enhancement improvements with no major public improvement projects being initiated.

H. Budget Information. The Districts have adopted budgets for the 2013 year. The Budgets, as adopted by the Boards of Directors of the Districts are attached as Exhibit A.

I. Further Information. For further information, please contact:

William P. Ankele, Jr.
White Bear & Ankele
Professional Corporation
2154 East Commons Avenue, Suite 2000
Centennial, CO 80122
(303) 858-1800

EXHIBIT A

2013 BUDGETS FOR

BASE VILLAGE METROPOLITAN DISTRICT NOS. 1 & 2

BUDGET RESOLUTION
(2013)

CERTIFIED COPY OF RESOLUTION

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

The Board of Directors of Base Village Metropolitan District No. 1, County of Pitkin, Colorado (the "District") held a regular meeting at 100 Carriage Way, Snowmass Village, Colorado, on Wednesday, November 28, 2012, at the hour of 1:00 P.M.

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

Shawn Gleason
Dwayne Romero
Steve Sewell
Matt Foley

Also present were: William P. Ankele, Jr., Esq., White, Bear & Ankele, Professional Corporation; and Sarah Hunsche, CliftonLarsonAllen, LLP

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with §29-1-106 C.R.S.

NOTICE AS TO PROPOSED 2013 BUDGET

NOTICE AS TO PROPOSED 2013 BUDGETS
AND
NOTICE AS TO AMENDED 2012 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 2013. A copy of each of the proposed budgets is on file in the office of CliftonLarsonAllen, 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 2012 budgets may be submitted to the Districts. A copy of each of the proposed amended budgets, if any, is on file in the office of CliftonLarsonAllen, 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 Capital Peak Conference Center, 100 Carriage Way, Snowmass Village, Colorado, on Wednesday, November 28, 2012 at 1:00 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 21, 2012

424024

Thereupon, Director Romero 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 2013 AND ENDING ON THE LAST DAY OF DECEMBER 2013.

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, provided 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 November 28, 2012, 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 2013 Revenues and 2013 Expenditures. The estimated revenues and expenditures for each fund for fiscal year 2013, 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 2013.

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. <u>2013 Levy for General Operating Expenses</u>. For the purpose of meeting all general operating expenses of the District during the 2013 budget year, there is hereby levied a tax of forty-three and five hundred thousandths (43.500) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. <u>2013 Levy for Debt Service Obligations</u>. For the purposes of meeting all debt service obligations of the District during the 2013 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. <u>2013 Levy for Contractual Obligation Expenses</u>. For the purposes of meeting all contractual obligations of the District during the 2013 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. <u>Certification to County Commissioners</u>. 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. <u>Appropriations</u>. 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 Gleason.

[Remainder of page intentionally left blank].

RESOLUTION APPROVED AND ADOPTED THIS 28TH DAY OF NOVEMBER 2012.

BASE VILLAGE METROPOLITAN DISTRICT NO. 1

President

ATTEST:

Secretary

0711.0015; 476966

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

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, 2012, at 100 Carriage Way, Snowmass Village, Colorado, 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 2012.

S.S

EXHIBIT A

BUDGET DOCUMENT

BUDGET MESSAGE

CliftonLarsonAllen

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

Accountant's Compilation Report

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

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the Base Village Metropolitan District No. 1 for the General Fund and Capital Projects Fund for the year ending December 31, 2013, including the forecasted estimate of comparative information for the year ending December 31, 2012, 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 audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. 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 and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

The actual historical information for the year 2011 is presented for comparative purposes only. Such information is taken from the audit report of the District for the year ended December 31, 2011, as prepared by Wagner Barnes, PC dated June 20, 2012, wherein an unqualified opinion was expressed.

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.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 29, 2012

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
SUMMARY
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUAL AND 2012 ESTIMATED
For the Years Ended and Ending December 31,

11/29/2012

	ACTUAL 2011	ESTIMATED 2012	ADOPTED 2013
BEGINNING FUND BALANCES	$ 38,648	$ 827,880	$ 438,538
REVENUES			
1 Property taxes	176,277	164,804	156,815
2 Specific ownership taxes	4,277	4,988	4,700
3 Developer advance	55,000	330,000	275,000
4 Net investment income	221	1,355	1,700
5 Intergovernmental	1,340,763	182,162	290,188
6 Transit center	970	500	760
7 Parking garage user fees	237,149	230,000	273,735
8 Conference Center	24,041	25,000	19,950
Total revenues	1,838,698	938,809	1,022,848
Total funds available	1,877,346	1,766,689	1,461,386
EXPENDITURES			
9 General and administration			
10 Accounting	63,512	67,000	50,000
11 Audit	8,422	8,604	9,500
12 Bank service charges	389	700	700
13 Conference center operating charges	134,079	141,000	150,223
14 Contingency	-	-	6,069
15 County Treasurer's fees	8,814	8,240	7,841
16 Insurance	29,979	35,289	36,500
17 Interest Expense - County	-	505	-
18 Legal	281,543	140,000	95,000
19 Meeting expense	-	-	-
20 Miscellaneous	337	-	-
21 Parking garage operating costs	301,027	415,000	397,201
22 Professional fees	20,577	13,000	10,000
23 Repay Developer advance	-	330,000	275,000
24 Transit center	127,562	144,000	165,144
25 Utilities	449	327	500
26 Capital projects			
27 Capital outlay	71,176	24,486	219,646
28 Engineering	1,600	-	-
Total expenditures	1,049,466	1,328,151	1,423,324
Total expenditures and transfers out requiring appropriation	1,049,466	1,328,151	1,423,324
ENDING FUND BALANCES	$ 827,880	$ 438,538	$ 38,062
EMERGENCY RESERVE	$ 21,000	$ 18,300	$ 19,400
TOTAL RESERVE	$ 21,000	$ 18,300	$ 19,400

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

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

11/29/2012

	ACTUAL 2011	ESTIMATED 2012	ADOPTED 2013
ASSESSED VALUATION - PITKIN			
Commercial	$ 4,049,460	$ 4,096,350	$ 3,602,210
State Assessed	2,890	2,820	2,730
Certified Assessed Value	$ 4,052,350	$ 4,099,170	$ 3,604,940
MILL LEVY			
GENERAL FUND	43.500	43.500	43.500
Total Mill Levy	43.500	43.500	43.500
PROPERTY TAXES			
GENERAL FUND	$ 176,277	$ 178,314	$ 156,815
Levied property taxes	176,277	178,314	156,815
Adjustments to actual/rounding	-	-	-
Refund and abatements	-	(13,510)	-
Budgeted Property Taxes	$ 176,277	$ 164,804	$ 156,815
BUDGETED PROPERTY TAXES			
GENERAL FUND	$ 176,277	$ 164,804	$ 156,815
	$ 176,277	$ 164,804	$ 156,815

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUAL AND 2012 ESTIMATED
For the Years Ended and Ending December 31,

11/29/2012

	ACTUAL 2011	ESTIMATED 2012	ADOPTED 2013
BEGINNING FUND BALANCES	$ 38,648	$ (2,164)	$ 22,625
REVENUES			
1 Property taxes	176,277	164,804	156,815
2 Specific ownership taxes	4,277	4,988	4,700
3 Developer advance	55,000	330,000	275,000
4 Net investment income	221	-	200
5 Intergovernmental	237,842	182,162	187,955
6 Transit center	970	500	760
7 Parking garage user fees	237,149	230,000	273,735
8 Conference Center	24,041	25,000	19,950
Total revenues	735,777	937,454	919,115
Total funds available	774,425	935,290	941,740
EXPENDITURES			
General and administration			
9 Accounting	58,851	56,000	50,000
10 Audit	8,422	8,604	9,500
11 Bank service charges	389	700	700
12 Conference center operating charges	134,079	141,000	150,223
13 Contingency	-	-	6,069
14 County Treasurer's fees	8,814	8,240	7,841
15 Insurance	29,979	35,289	36,500
16 Interest Expense - County	-	505	-
17 Legal	86,103	90,000	70,000
18 Meeting expense	-	-	-
19 Miscellaneous	337	-	-
20 Parking garage operating costs	301,027	415,000	397,201
21 Professional fees	20,577	13,000	10,000
22 Transit center	127,562	144,000	165,144
23 Utilities	449	327	500
Total expenditures	776,589	912,665	903,678
Total expenditures and transfers out requiring appropriation	776,589	912,665	903,678
ENDING FUND BALANCES	$ (2,164)	$ 22,625	$ 38,062
EMERGENCY RESERVE	$ 21,000	$ 18,300	$ 19,400
TOTAL RESERVE	$ 21,000	$ 18,300	$ 19,400

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUAL AND 2012 ESTIMATED
For the Years Ended and Ending December 31,

11/29/2012

	ACTUAL 2011	ESTIMATED 2012	ADOPTED 2013
BEGINNING FUND BALANCES	$ -	$ 830,044	$ 415,913
REVENUES			
1 Net investment income	-	1,355	1,500
2 Intergovernmental	1,102,921	-	102,233
Total revenues	1,102,921	1,355	103,733
Total funds available	1,102,921	831,399	519,646
EXPENDITURES			
General and administration			
3 Accounting	4,661	11,000	-
4 Legal	195,440	50,000	25,000
5 Repay Developer advance	-	330,000	275,000
Capital projects			
6 Capital outlay	71,176	24,486	219,646
7 Engineering	1,600	-	-
Total expenditures	272,877	415,486	519,646
Total expenditures and transfers out requiring appropriation	272,877	415,486	519,646
ENDING FUND BALANCES	$ 830,044	$ 415,913	$ -

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
2013 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 to be financed by the issuance of bonded debt.

The District entered into an Intergovernmental Agreement with Base Village No. 2 on July 25, 2007 to coordinate the construction, operation, and maintenance and financing of facilities that are intended to benefit both the District and Base Village No. 2. Serving as the Service District, the District agrees to construct, manage the financing, and operate and maintain the public facilities that the District will own.

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

Revenue

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

For collection year 2013, the District adopted a total mill levy of 43.500 mills for operations. The calculation of the taxes levied is displayed on page 3 of the budget.

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
2013 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

(Continued)

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 estimate is based on a ratio of prior year's specific ownership taxes to property taxes as experienced by Base Village No. 2. The forecast assumes that the District's share will be equal to approximately 3.0% of the property taxes collected.

Intergovernmental Revenue

Under the intergovernmental agreement, Base Village No. 2 is obligated to transfer revenues to the Service District to provide for administrative and capital infrastructure costs.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.1%.

Parking Garage User Fees

Parking garage user fees have been estimated at $273,735 for 2013. These fees are collected to offset the associated expenditures for operations and maintenance of the parking garage.

Conference Center Revenue

Conference Center income has been estimated at $19,950 for 2013. The revenue will be used to offset the associated expenditures for operations and maintenance of the conference center.

Transit Center

Transit Center income has been estimated at $760 for 2013. The revenue will be used to offset the associated expenditures for operations and maintenance of the transit center.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
2013 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

(Continued)

District's administrative viability such as legal, accounting, insurance and other administrative expenses. Operating expenditures include the necessary costs to operate and maintain the conference center and parking garage, including management fees.

County Treasurer's Fees

County Treasurer's fees have been computed at 5% of property tax collections.

Capital Outlay

Expenditures for capital outlay are displayed on page 5 of the budget.

Debt and Leases

The District has no outstanding debt and 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 2013, as defined under TABOR.

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

BUDGET RESOLUTION
(2013)

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 100 Carriage Way, Snowmass Village, Colorado, on Wednesday, November 28, 2012, at the hour of 1:00 P.M.

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

Shawn Gleason
Dwayne Romero
Steve Sewell
Matt Foley

Also present were: William P. Ankele, Jr., Esq., White, Bear & Ankele, Professional Corporation; and Sarah Hunsche, CliftonLarsonAllen, LLP

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with §29-1-106 C.R.S.

NOTICE AS TO PROPOSED 2013 BUDGET

NOTICE AS TO PROPOSED 2013 BUDGETS
AND
NOTICE AS TO AMENDED 2012 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 2013. A copy of each of the proposed budgets is on file in the office of CliftonLarsonAllen, 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 2012 budgets may be submitted to the Districts. A copy of each of the proposed amended budgets, if any, is on file in the office of CliftonLarsonAllen, 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 Capital Peak Conference Center, 100 Carriage Way, Snowmass Village, Colorado, on Wednesday, November 28, 2012 at 1:00 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 21, 2012

424024

Thereupon, Director Romero 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 2013 AND ENDING ON THE LAST DAY OF DECEMBER 2013.

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, provided 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 November 28, 2012, 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 2013 Revenues and 2013 Expenditures. The estimated revenues and expenditures for each fund for fiscal year 2013, 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 2013.

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. 2013 Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2013 budget year, there is hereby levied a tax of six (6.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. 2013 Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2013 budget year, there is hereby levied a tax of thirty-seven and five hundred thousandths (37.500) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. 2013 Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2013 budget year, there is hereby levied a tax of zero (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 Gleason.

[Remainder of page intentionally left blank].

RESOLUTION APPROVED AND ADOPTED THIS 28TH DAY OF NOVEMBER 2012.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

President

ATTEST:

Secretary

0711.0015; 476971

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, 2012, at 100 Carriage Way, Snowmass Village, Colorado, 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 2012.

____

EXHIBIT A

BUDGET DOCUMENT

BUDGET MESSAGE

CliftonLarsonAllen

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

Accountant's Compilation Report

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

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances 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, 2013, including the forecasted estimate of comparative information for the year ending December 31, 2012, 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 audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. 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 and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

The actual historical information for the year 2011 is presented for comparative purposes only. Such information is taken from the audit report of the District for the year ended December 31, 2011, as prepared by Wagner Barnes, PC dated June 20, 2012, wherein an unqualified opinion was expressed.

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.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 29, 2012

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
SUMMARY
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUAL AND 2012 ESTIMATED
For the Years Ended and Ending December 31,

11/29/2012

	ACTUAL 2011	ESTIMATED 2012	ADOPTED 2013
BEGINNING FUND BALANCES	$ 5,735,049	$ 4,984,947	$ 1,253,512
REVENUES			
1 Property taxes	1,768,009	1,361,282	1,389,750
2 Specific ownership taxes	43,018	40,065	41,690
3 System development fees	25,750	-	-
4 Net investment income	6,045	50	1,750
Total revenues	1,842,822	1,401,397	1,433,190
TRANSFERS IN	11,727	190,254	-
Total funds available	7,589,598	6,576,598	2,686,702
EXPENDITURES			
5 General and administration			
6 County Treasurer's fees	12,199	9,388	9,585
7 Interest expense - County	-	1,742	-
8 Intergovernmental	1,340,763	182,162	290,188
9 Debt service			
10 Bond interest 2008 A	260,250	28,280	54,125
11 Bond interest 2008 B	75,000	-	-
12 Bond principal 2008 A	-	4,375,000	175,000
13 Bond principal 2008 B	-	-	-
14 Contingency	-	-	5,600
15 County Treasurer's fees	76,244	58,676	59,903
16 Interest expense - County	-	4,000	-
17 Letter of credit fees	508,542	307,500	311,000
18 Paying agent fees	10,500	8,000	8,000
19 Remarketing fees	148,353	30,400	30,400
20 Capital projects			
21 LOC extension costs	161,073	127,684	-
Total expenditures	2,592,924	5,132,832	943,801
TRANSFERS OUT	11,727	190,254	-
Total expenditures and transfers out requiring appropriation	2,604,651	5,323,086	943,801
ENDING FUND BALANCES	$ 4,984,947	$ 1,253,512	$ 1,742,901
2008 A BOND RESERVE	$ 2,251,437	$ 470,000	$ 470,000
2008 B BOND RESERVE	190,099	-	-
2008 A SUPPLEMENTAL RESERVE	2,000,000	-	-
TOTAL RESERVE	$ 4,441,536	$ 470,000	$ 470,000

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

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

11/29/2012

	ACTUAL 2011	ESTIMATED 2012	ADOPTED 2013
ASSESSED VALUATION - PITKIN			
Residential	$ 22,785,910	$ 17,557,180	$ 17,903,230
Commercial	11,757,490	9,270,470	8,191,570
Vacant Land	6,031,520	6,031,520	6,031,520
Personal Property	68,980	66,240	74,830
Certified Assessed Value	$ 40,643,900	$ 32,925,410	$ 32,201,150
MILL LEVY			
GENERAL FUND	6.000	6.000	6.000
DEBT SERVICE FUND	37.500	37.500	37.500
Total Mill Levy	43.500	43.500	43.500
PROPERTY TAXES			
GENERAL FUND	$ 243,863	$ 197,552	$ 193,207
DEBT SERVICE FUND	1,524,146	1,234,703	1,207,543
Levied property taxes	1,768,009	1,432,255	1,400,750
Adjustments to actual/rounding	-	-	-
Refund and abatements	-	(70,973)	(11,000)
Budgeted Property Taxes	$ 1,768,009	$ 1,361,282	$ 1,389,750
BUDGETED PROPERTY TAXES			
GENERAL FUND	$ 243,985	$ 187,763	$ 191,690
DEBT SERVICE FUND	1,524,024	1,173,519	1,198,060
	$ 1,768,009	$ 1,361,282	$ 1,389,750

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUAL AND 2012 ESTIMATED
For the Years Ended and Ending December 31,

11/29/2012

	ACTUAL 2011	ESTIMATED 2012	ADOPTED 2013
BEGINNING FUND BALANCES	$ -	$ -	$ -
REVENUES			
1 Property taxes	243,985	187,763	191,690
2 Specific ownership taxes	5,937	5,529	5,750
3 Net investment income	119	-	100
Total revenues	250,041	193,292	197,540
Total funds available	250,041	193,292	197,540
EXPENDITURES			
General and administration			
4 County Treasurer's fees	12,199	9,388	9,585
5 Interest expense - County	-	1,742	-
6 Intergovernmental	237,842	182,162	187,955
Total expenditures	250,041	193,292	197,540
Total expenditures and transfers out requiring appropriation	250,041	193,292	197,540
ENDING FUND BALANCES	$ -	$ -	$ -

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUAL AND 2012 ESTIMATED
For the Years Ended and Ending December 31,

11/29/2012

	ACTUAL 2011	ESTIMATED 2012	ADOPTED 2013
BEGINNING FUND BALANCES	$ 4,444,657	$ 4,945,384	$ 1,151,329
REVENUES			
1 Property taxes	1,524,024	1,173,519	1,198,060
2 Specific ownership taxes	37,081	34,536	35,940
3 System development fees	25,750	-	-
4 Net investment income	4,488	-	1,600
Total revenues	1,591,343	1,208,055	1,235,600
Total funds available	6,036,000	6,153,439	2,386,929
EXPENDITURES			
Debt service			
5 Bond interest 2008 A	260,250	28,280	54,125
6 Bond interest 2008 B	75,000	-	-
7 Bond principal 2008 A	-	4,375,000	175,000
8 Bond principal 2008 B	-	-	-
9 Contingency	-	-	5,600
10 County Treasurer's fees	76,244	58,676	59,903
11 Interest expense - County	-	4,000	-
12 Letter of credit fees	508,542	307,500	311,000
13 Paying agent fees	10,500	8,000	8,000
14 Remarketing fees	148,353	30,400	30,400
Total expenditures	1,078,889	4,811,856	644,028
TRANSFERS OUT			
CAPITAL PROJECTS FUND	11,727	190,254	-
Total transfers out	11,727	190,254	-
Total expenditures and transfers out requiring appropriation	1,090,616	5,002,110	644,028
ENDING FUND BALANCES	$ 4,945,384	$ 1,151,329	$ 1,742,901
2008 A BOND RESERVE	$ 2,251,437	$ 470,000	$ 470,000
2008 B BOND RESERVE	190,099	-	-
2008 A SUPPLEMENTAL RESERVE	2,000,000	-	-
TOTAL RESERVE	$ 4,441,536	$ 470,000	$ 470,000

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUAL AND 2012 ESTIMATED
For the Years Ended and Ending December 31,

11/29/2012

	ACTUAL 2011	ESTIMATED 2012	ADOPTED 2013
BEGINNING FUND BALANCES	$ 1,290,392	$ 39,563	$ 102,183
REVENUES			
1 Net investment income	1,438	50	50
Total revenues	1,438	50	50
TRANSFERS IN			
DEBT SERVICE FUND	11,727	190,254	-
Total transfers in	11,727	190,254	-
Total funds available	1,303,557	229,867	102,233
EXPENDITURES			
General and administration			
2 Intergovernmental	1,102,921	-	102,233
Capital projects			
3 LOC extension costs	161,073	127,684	-
Total expenditures	1,263,994	127,684	102,233
Total expenditures and transfers out requiring appropriation	1,263,994	127,684	102,233
ENDING FUND BALANCES	$ 39,563	$ 102,183	$ -

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
2013 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 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 the Intergovernmental Agreement dated July 25, 2007 between the two Districts. Under the 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.

The adopted budget for the year ending December 31, 2013 is presented as adopted by the Board of Directors on November 28, 2012.

Revenue

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

For collection year 2013, the District adopted a total mill levy of 43.500 mills of which 6.000 mills is for operations and 37.500 mills is for debt service. The calculation of the taxes levied is displayed on page 3 of the budget.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
2013 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

(Continued)

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 estimate is based on a ratio of prior year's specific ownership taxes to property taxes. The forecast assumes that the District's share will be equal to approximately 3% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.1%.

System Development 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.

Expenditures

Administrative Expenditures

District No. 1 records all operational and administrative expenditures for the Districts.

County Treasurer's Fees

County Treasurer's fees are approximately 5% of property tax collections.

Intergovernmental expenditure

Pursuant to an intergovernmental agreement between the District and Base Village No. 1, General Fund revenues collected by the District, including net property taxes and specific ownership taxes will be remitted to District No. 1. Bond proceeds are also transferred to Base Village No. 1 to fund capital improvement costs.

Debt Service

On June 19, 2008, the District issued $47,750,000 in General Obligation Bonds dated June 19, 2008 for streets, park and recreation, fire protection and public transportation.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
2013 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

(Continued)

$15,200,000 General Obligation Variable Rate Senior Bonds (Limited Tax Convertible to Unlimited Tax), Series 2008A, dated June 19, 2008. The bonds are term bonds due on December 1, 2038, with mandatory redemption principal payments starting at $175,000 on December 1, 2012. The Series 2008A are variable rate bonds in the weekly mode that adjust based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index.

The bonds are subject to redemption prior to maturity at the option of the District on the first calendar day of any month at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest to the redemption date, if any, without premium. The bonds are currently remarketed in the weekly mode. Interest is payable on the first business day of each calendar month. The District may effect a change in mode to a daily, monthly, semi-annual, annual, or flexed pricing mode by giving proper notice in accordance with the provisions in the Indenture.

The bonds are secured and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) property tax revenues from the "Required Mill Levy", (2) specific ownership tax revenues, (3) capital fees, (4) interest rate exchange agreement payments; (5) amounts received from the Capital Pledge Agreement; (6) amounts received from the interest rate cap agreement and (7) any other legally available moneys which the District determines, in its absolute discretion, to credit to the revenue fund.
The term "Required Mill Levy" includes both a debt service mill levy and an operations mill levy component. Beginning with the December 2009 levies (to be collected in 2010), the Required Mill Levy is 37.5 mills for debt service and 6.0 mills for operations. The Required Mill Levy is subject to adjustment for changes in the ratio of actual value to assessed value of property within the District. The Consolidated Service Plan establishes certain limitations on the maximum mill levy that the District may impose for debt service, and the terms of the Bonds are subject to these limitations.

$32,550,000 Guarantor Bonds, Series 2011, dated December 23, 2011. On December 23, 2011 the 2008B bonds were redeemed via call on the Letter of Credit securing the Bonds and the bonds are no longer outstanding. The bonds have been replaced with the Series 2011 Guarantor bonds. The 2011 bonds bear an interest rate of 10%. Payments on the 2011 Series Guarantor Bonds will be made beginning at such time when the District fully funds the now require Debt Service Surplus Fund to its maximum amount of $5 million. No payments will be made on the 2011 Series Guarantor Bonds as the Debt Service Surplus Fund will not reach its maximum level during the year ended December 31, 2013.

On November 28, 2012, the District executed the Fourth Supplemental Indenture in which the owner of the Guarantor Bonds consented in writing to the reduction of the interest rate from 10% to 3% per annum. Additionally, the owner of the Subordinate Bonds has consented in writing to changing the priority of the payment of the Guarantor bonds over the Subordinate bonds.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
2013 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

(Continued)

Developer Subordinate Note

On December 1, 2009, the District issued a Developer Subordinate Note (the Series 2008D Note) in the aggregate principal amount of $2,200,000. This Note is not interest bearing and is subject to redemption on any date.

This Note is a special, limited tax obligation of the District, and shall be payable from Pledged Revenue, the proceeds of refunding obligations, or as otherwise provided in the Resolution of the Board of Directors authorizing the issuance and delivery of this Note and the IGA.

Letter of Credit

Concurrently with the issuance of the 2008A bonds, the District established an irrevocable direct pay Letter of Credit with U.S. Bank National Association in the stated amounts of $11,102,466. The District is responsible for paying a semiannual facility fee for the letter of credit as defined by the terms in the Indenture of Trust dated July 1, 2008 and the Letter of Credit Reimbursement Agreement dated July 1, 2008. The current Letter of Credit expires on November 30, 2014.

Capital Pledge Agreement

On July 1, 2008, the District entered into an agreement (the Capital Pledge Agreement) with Base Village No. 1 and U.S. Bank in connection with the issuance of the District's Series 2008A bonds. Subject to certain conditions, including the levy by the District of the Required Mill Levy associated with the bonds, the Capital Pledge Agreement requires the levy by District No. 1 of up to 43.5 mills annually to support debt service on the bonds. For the year ended December 31, 2013, the District does not require a capital levy from District No. 1 to support debt service.

Remarketing Fees

In connection with the Series 2008A bonds, the District pays remarketing fees. The anticipated fee for 2013 is $30,400.

Debt and Leases

The District's current debt service schedule is attached. The District has no operating or capital leases.

Reserve Funds

Pursuant to the intergovernmental agreement, as noted above, the revenue is remitted to Base Village No. 1, which has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2013, as defined under TABOR.

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS

\$15,200,000 Limited Tax General Obligation
Variable Rate Bonds, Series 2008A
Dated June 19, 2008
Interest estimated 0.50% for 2013
and 4% thereafter
Principal Payable December 1

Year Ended December 31,	Principal	Interest	Total
2013	$ 175,000	$ 54,125	$ 229,125
2014	195,000	426,000	621,000
2015	205,000	418,200	623,200
2016	215,000	410,000	625,000
2017	230,000	401,400	631,400
2018	245,000	392,200	637,200
2019	260,000	382,400	642,400
2020	270,000	372,000	642,000
2021	290,000	361,200	651,200
2022	310,000	349,600	659,600
2023	325,000	337,200	662,200
2024	345,000	324,200	669,200
2025	365,000	310,400	675,400
2026	400,000	295,800	695,800
2027	410,000	279,800	689,800
2028	430,000	263,400	693,400
2029	460,000	246,200	706,200
2030	500,000	227,800	727,800
2031	525,000	207,800	732,800
2032	550,000	186,800	736,800
2033	590,000	164,800	754,800
2034	625,000	141,200	766,200
2035	660,000	116,200	776,200
2036	710,000	89,800	799,800
2037	750,000	61,400	811,400
2038	785,000	31,400	816,400
	$ 10,825,000	$ 6,851,325	$ 17,676,325

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