RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS

(2016)

The Board of Directors of Base Village Metropolitan District No. 2 (the "Board"), County of Pitkin, Colorado (the "District") held a special meeting at Capital Peak Conference Center, 110 Carriage Way, Snowmass, Colorado, on Wednesday, November 18, 2015, at the hour of 1:00 P.M.

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.

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NOTICE AS TO PROPOSED 2016 BUDGET

**NOTICE OF PUBLIC HEARING ON THE PROPOSED 2016 BUDGETS
AND
NOTICE OF PUBLIC HEARING ON THE AMENDED 2015 BUDGETS**

NOTICE IS HEREBY GIVEN that proposed 2016 budgets have been submitted to the Boards of Directors (the "Boards") of the BASE VILLAGE METROPOLITAN DISTRICT NOS. 1-2 (collectively the "Districts"). 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 2015 budgets have been submitted to the Districts. A copy of each of the proposed amended 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.

Such proposed budgets and amended budgets will be considered at a public hearing during a joint meeting of the Districts to be held at 110 Carriage Way, Snowmass Village, Colorado, on Wednesday, November 18, 2015 at 1:00 P.M. Any interested elector of the Districts may file or register any objections to the proposed budgets or amended budgets at any time prior to final adoption of the budgets and amended budgets by the governing body of the District.

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

/s/ WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Published in: *The Snowmass Sun*
Published on: Wednesday, November 11, 2015

Thereupon, Director Foley 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 2016 AND ENDING ON THE LAST DAY OF DECEMBER 2016.

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 18 2015, interested electors were given the opportunity to file or register any objections to said proposed budget and no written objections were filed prior to the public hearing; 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 2016 Revenues and 2016 Expenditures. The estimated revenues and expenditures for each fund for fiscal year 2016, 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 for fiscal year

2016. 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. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2016 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. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2016 budget year, there is hereby levied a tax of thirty-seven and one half (37.500) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2016 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. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2016 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 7. 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 8. 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 9. 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 resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. 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 D'Agostino.

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ADOPTED THIS 18TH DAY OF NOVEMBER, 2015.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

Officer of District

ATTEST:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

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 November 18, 2015, at 110 Carriage Way, Snowmass, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 18th day of November, 2015.

EXHIBIT A

BUDGET DOCUMENT

BUDGET MESSAGE

CliftonLarsonAllen

CliftonLarsonAllen LLP
www.CLAconnect.com

Accountant's Compilation Report

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

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Base Village Metropolitan District No. 2 for the year ending December 31, 2016, including the estimate of comparative information for the year ending December 31, 2015 and the actual comparative information for the year ending December 31, 2014, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 11, 2016

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
SUMMARY
2016 BUDGET AS ADOPTED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,

1/11/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	$ 1,291,010	$ 1,258,879	$ 1,254,980
REVENUES			
1 Property taxes	1,552,355	1,616,779	1,609,281
2 Specific ownership taxes	51,682	48,500	48,280
3 Net investment income	2,420	1,812	1,900
4 Capital facility fees	103,000	123,600	154,500
Total revenues	1,709,457	1,790,691	1,813,961
TRANSFERS IN	10	-	-
Total funds available	3,000,477	3,049,570	3,068,941
EXPENDITURES			
5 General and administration			
6 County Treasurer's fees	10,714	11,150	11,099
7 Intergovernmental	210,792	218,556	217,631
8 Debt service			
9 County Treasurer's fees	66,959	69,689	69,366
10 Loan interest 2013 A	609,195	609,195	591,639
11 Loan interest 2013 B	243,928	260,000	280,000
12 Loan principal 2013 A	600,000	620,000	635,000
13 Paying agent fees	-	6,000	8,000
Total expenditures	1,741,588	1,794,590	1,812,735
TRANSFERS OUT	10	-	-
Total expenditures and transfers out requiring appropriation	1,741,598	1,794,590	1,812,735
ENDING FUND BALANCES	$ 1,258,879	$ 1,254,980	$ 1,256,206
2013 A LOAN RESERVE	$ 1,246,000	$ 1,246,000	$ 1,246,000
TOTAL RESERVE	$ 1,246,000	$ 1,246,000	$ 1,246,000

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,

1/11/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
ASSESSED VALUATION - PITKIN			
Residential	$ 18,422,440	$ 18,420,770	$ 17,757,550
Commercial	9,950,150	11,420,830	11,912,710
Industrial	-	-	460
Vacant Land	7,231,500	7,231,500	7,230,260
Personal Property	91,840	94,220	93,970
Certified Assessed Value	$ 35,695,930	$ 37,167,320	$ 36,994,950
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	$ 214,176	$ 223,004	$ 221,970
DEBT SERVICE FUND	1,338,597	1,393,775	1,387,311
Levied property taxes	1,552,773	1,616,779	1,609,281
Adjustments to actual/rounding	-	-	-
Budgeted Property Taxes	$ 1,552,355	$ 1,616,779	$ 1,609,281
BUDGETED PROPERTY TAXES			
GENERAL FUND	$ 214,283	$ 223,004	$ 221,970
DEBT SERVICE FUND	1,338,072	1,393,775	1,387,311
	$ 1,552,355	$ 1,616,779	$ 1,609,281

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
2016 BUDGET AS ADOPTED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,

1/11/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	$ -	$ -	$ -
REVENUES			
1 Property taxes	214,283	223,004	221,970
2 Specific ownership taxes	7,128	6,690	6,660
3 Net investment income	95	12	100
Total revenues	221,506	229,706	228,730
Total funds available	221,506	229,706	228,730
EXPENDITURES			
General and administration			
4 County Treasurer's fees	10,714	11,150	11,099
5 Intergovernmental	210,792	218,556	217,631
Total expenditures	221,506	229,706	228,730
Total expenditures and transfers out requiring appropriation	221,506	229,706	228,730
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
2016 BUDGET AS ADOPTED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,

1/11/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	$ 1,291,000	$ 1,258,879	$ 1,254,980
REVENUES			
1 Property taxes	1,338,072	1,393,775	1,387,311
2 Specific ownership taxes	44,554	41,810	41,620
3 Net investment income	2,325	1,800	1,800
4 Capital facility fees	103,000	123,600	154,500
Total revenues	1,487,951	1,560,985	1,585,231
TRANSFERS IN			
CAPITAL PROJECTS FUND	10	-	-
Total transfers in	10	-	-
Total funds available	2,778,961	2,819,864	2,840,211
EXPENDITURES			
Debt service			
5 County Treasurer's fees	66,959	69,689	69,366
6 Loan interest 2013 A	609,195	609,195	591,639
7 Loan interest 2013 B	243,928	260,000	280,000
8 Loan principal 2013 A	600,000	620,000	635,000
9 Paying agent fees	-	6,000	8,000
Total expenditures	1,520,082	1,564,884	1,584,005
Total expenditures and transfers out requiring appropriation	1,520,082	1,564,884	1,584,005
ENDING FUND BALANCES	$ 1,258,879	$ 1,254,980	$ 1,256,206
2013 A LOAN RESERVE	$ 1,246,000	$ 1,246,000	$ 1,246,000
TOTAL RESERVE	$ 1,246,000	$ 1,246,000	$ 1,246,000

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
2016 BUDGET AS ADOPTED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,

1/11/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	$ 10	$ -	$ -
REVENUES			
Total revenues	-	-	-
Total funds available	10	-	-
EXPENDITURES			
Total expenditures	-	-	-
TRANSFERS OUT			
DEBT SERVICE FUND	10	-	-
Total transfers out	10	-	-
Total expenditures and transfers out requiring appropriation	10	-	-
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
2016 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 has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105.

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 2016, 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
2016 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenue (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 budget assumes that the District's share will be equal to approximately 3% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.15%.

Capital Facility Fees

A fee of $5,150 will be collected upon the sale of each residential living unit and used to pay interest on the 2013B 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.

Expenditures (continued)

Debt Service

$20,300,000 Senior Tax-Free Loan Refunding & Improvement, Series 2013A, dated December 2, 2013. The loan matures on December 2, 2020, with mandatory redemption principal payments starting at $600,000 on December 1, 2014, and interest payments due on June 1 and December 1 at a fixed interest rate of 3.05% per annum. The loan may be prepaid without premium or penalty starting on and after September 2, 2016. A balloon payment of $16,430,000 is due on the maturity date. In the event that the refinancing is not successful prior to that time, the loan balance will begin to bear interest at an adjusted rate 11.05%.

The loan is secured and payable from the following sources, net of any collection costs: (1) property tax revenues from the "Required Mill Levy", and (2) specific ownership tax revenue. The term "Required Mill Levy" includes both a debt service mill levy and an operations mill levy component. 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.

$23,760,000 Subordinate Limited Tax Revenue Refunding Bond, Series 2013B, dated November 13, 2013. The bond matures on December 15, 2043, and has an interest rate of 6.50% that will be imposed on the unpaid principal amount. The bond is secured and payable from the following sources, net of any collection costs: (1) property tax revenues from the "Required Mill Levy, (2) specific ownership tax revenue, (3) capital fees, and (4) any other legally available money.

Pledged Revenues from the Required Mill Levy are available to pay for commitments under the Bond Resolution only after subtracting the Required Mill Levy revenues due under the Loan Agreement. To the extent of available Pledged Revenues, interest and principal payments are due annually on or before December 15, beginning on or after the Custodial Eligibility Date, defined as the first date on which the Debt to Assessed Ratio is equal to or less than 50%, until the bond is paid in full. However, any amount remaining unpaid on the bond maturity date shall be deemed fully discharged without further action by the District or the Owner. A debt to maturity schedule is not provided as the obligation is repaid as cash flow is available.

The District's pledge of capital fees revenue toward the repayment of the bond is not subordinate to the loan, but rather is a first priority pledge. Capital fees are due annually on or before December 15 starting on December 15, 2014.

Expenditures (continued)

$32,550,000 Guarantor Bonds, Series 2011, dated December 23, 2011. On December 2, 2013, $31,272,000 of Guarantor bonds have been refunded with Series 2013A loan and Series 2013B bond, with a remaining balance of $1,278,000. Under the Fourth Supplemental Indenture of Trust, the underlying indenture is suspended, provided that the Guarantor bonds shall continue to bear interest at a rate of 10% and may be refunded at any date by the District. However, the District has no obligation to impose a mill levy for the purpose of repayment. Any amount remaining unpaid at maturity date of December 1, 2038 shall be deemed fully discharged without further action by the District. A debt to maturity schedule is not provided as the obligation is repaid as cash flow is available.

Capital Pledge Agreement

On December 2, 2013, the District entered into an agreement (the Capital Pledge Agreement) with Base Village No. 1 in connection with the issuance of the District's Series 2013A loan and Series 2013B bond. 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, 2016, the District does not require a capital levy from District No. 1 to support debt service.

Debt and Leases

The District's 2013A 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 2016, as defined under TABOR.

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

$20,300,000 Senior Tax-Free Loan Refunding & Improvement
Fixed Rate Loan, Series 2013A
Dated December 2, 2013
Principal Payable December 1
Interest at 3.05%
Payable June 1 and December 1

Year Ended December 31,	Principal	Interest	Total
2016	$ 635,000	$ 591,639	$ 1,226,639
2017	655,000	570,386	1,225,386
2018	670,000	550,131	1,220,131
2019	690,000	529,412	1,219,412
2020	16,430,000	501,115	16,931,115
	$ 19,080,000	$ 2,742,683	$ 21,822,683

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