

BUDGET MESSAGE

Base Village Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on December 07, 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under an amended and restated consolidated service plan approved by the Town of Snowmass Village (Town) on October 23, 2006 (“Service Plan”). The Service Plan defines the powers and authorities of, as well as the limitations and restrictions on, the District and Base Village Metropolitan District No. 1 (“BV Metro 1”).

The District was established to provide financing for the design, acquisition, construction and installation of streets, drainage, traffic and safety controls, park and recreation, transportation, and mosquito, pest control and other improvements (Public Improvements) within and without the District boundaries that benefit the taxpayers and inhabitants of the District. The District's service area is approximately 25.1 acres and comprised of a mix of condominium housing, hotels and retail shops and commercial development located in Pitkin County, Colorado entirely within the boundaries of the Town.

For the collection year 2021, the District adopted a mill levy of 0.000 for general operations, 1.028 mills for contractual obligations (related to a legal settlement agreement) and 41.748 for debt service, with a total budget of \$1,901,700. The District's assessed valuation increased by approximately \$2,593,090 (or 6.2%) to \$44,457,740 from the prior year. The increase was primarily due to additional residential and commercial development within the District.

The District has no employees and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

CERTIFICATION OF BUDGET FOR
BASE VILLAGE METROPOLITAN DISTRICT NO. 2

TO: THE DIVISION OF LOCAL GOVERNMENT

This is to certify that the budget, attached hereto, is a true and accurate copy of the budget for Base Village Metropolitan District No. 2, for the budget year ending December 31, 2021, as adopted on December 04, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of Base Village Metropolitan District No. 2 in Pitkin County, Colorado, this 04 day of December 2020.

DocuSigned by:

Thomas Kosich

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Thomas Kosich, Chairman

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

**Snowmass Village
PITKIN COUNTY, COLORADO**



2021 Budget

(Adopted on December 04, 2020)



8354 Northfield Blvd
Building G, Suite 3700
Denver, Colorado 80238
Telephone (720) 541-7725

Accountant's Report

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

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 Project Fund for the year ending December 31, 2021 and the forecasted estimate of comparative information for the year ending December 31, 2020 were not subjected to an audit, review, or compilation engagement by me and, accordingly, I do not express an opinion, a conclusion, nor provide any assurance on them.

Substantially all of the disclosures required by accounting principles generally accepted in the United States of America have been omitted. 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.

Charles Wolfersberger, CPA
Henderson, CO
November 15, 2020

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
SUMMARY
FORECASTED 2021 BUDGET AS PROPOSED
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

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	ACTUAL 2019	ESTIMATED 2020	ADOPTED 2021
BEGINNING FUND BALANCE	\$ 2,212,268	\$ 1,998,830	\$ 1,898,300
REVENUES			
Property taxes	1,661,137	1,920,900	1,901,700
Specific ownership taxes	58,315	67,200	66,600
Capital Facilities Fees	97,850	103,000	103,000
Interest income	42,480	30,570	27,900
Total Revenues	1,859,782	2,121,670	2,099,200
Total Funds Available	4,072,050	4,120,500	3,997,500
EXPENDITURES			
General and administration	51,800	57,500	-
BV Metro 1 support fees	175,138	203,000	-
Legal fees – settlement agreement	-	-	45,000
Debt service			
a) Bond principal – Senior Bonds	-	85,000	285,000
b) Bond interest – Senior Bonds	1,767,987	1,767,988	1,763,313
c) Direct and indirect collection costs	78,295	108,712	171,487
Total Expenditures Requiring Appropriation	2,073,220	2,222,200	2,264,800
ENDING FUND BALANCE	\$ 1,998,830	\$ 1,898,300	\$ 1,732,700
EMERGENCY RESERVE	\$ -	\$ -	\$ -
SERIES 2018A BONDS – RESERVE FUND	654,168	654,168	654,168
SERIES 2018A BONDS – SURPLUS FUND	1,344,662	1,248,832	1,078,532
TOTAL DEBT RESERVES	\$ 1,998,830	\$ 1,903,000	\$ 1,732,700

This financial information should be read only in connection with the summary of significant assumptions.

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

	ADOPTED 2019	ADOPTED 2020	ADOPTED 2021
CERTIFIED ASSESSED VALUATION – PITKIN COUNTY	\$ 36,423,750	\$ 41,864,650	\$ 44,457,740
MILL LEVY			
GENERAL FUND	6.000	6.000	-
CONTRACTUAL OBLIGATIONS	-	-	1.028
DEBT SERVICE FUND	39.606	39.883	41.748
Total Mill Levy	45.606	45.883	42.776
PROPERTY TAXES			
GENERAL FUND	\$ 218,500	\$ 251,200	\$ -
CONTRACTUAL OBLIGATIONS	-	-	45,700
DEBT SERVICE FUND	1,442,600	1,669,700	1,856,000
	\$ 1,661,100	\$ 1,920,900	\$ 1,901,700

This financial information should be read only in connection with the summary of significant assumptions.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
FORECASTED 2021 BUDGET AS PROPOSED
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2019	ESTIMATED 2020	ADOPTED 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	218,542	251,200	-
Specific ownership taxes	7,672	8,800	-
Interest income	724	500	-
Total Revenues	226,938	260,500	-
Total Funds Available	226,938	260,500	-
EXPENDITURES			
General and administration	51,800	57,500	-
BV Metro 1 support fees	175,138	203,000	-
Other district expenses	-	-	-
Total Expenditures Requiring Appropriation	226,938	260,500	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -
EMERGENCY RESERVE	\$ -	\$ -	\$ -

This financial information should be read only in connection with the summary of significant assumptions.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
GENERAL FUND EXPENDITURE DETAILS
FORECASTED 2021 BUDGET AS PROPOSED
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2019	ESTIMATED 2020	ADOPTED 2021
GENERAL AND ADMINISTRATION			
District management and accounting fees	\$ 3,900	\$ 3,900	\$ -
Administrative costs	2,063	3,000	-
Audit fees	5,200	5,500	-
Collection fees – County Treasurer	10,937	12,600	-
Insurance	4,700	5,000	-
Legal fees – general	25,000	25,000	-
Election costs	-	1,500	-
Contingency	-	1,000	-
Total General and Administration	\$ 51,800	\$ 57,500	\$ -

This financial information should be read only in connection with the summary of significant assumptions.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
CONTRACTUAL OBLIGATIONS FUND
FORECASTED 2021 BUDGET AS PROPOSED
WITH 2019 ACTUAL AND 2020 ESTIMATED
 For the Years Ended and Ending December 31,

	ACTUAL 2019	ESTIMATED 2020	ADOPTED 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	45,700
Specific ownership taxes	-	-	1,600
Total Revenues	-	-	47,300
Total Funds Available	-	-	47,300
EXPENDITURES			
Legal fees – settlement agreement	-	-	45,000
Collection fees – County Treasurer			2,300
Total Expenditures Requiring Appropriation	-	-	47,300
ENDING FUND BALANCE	\$ -	\$ -	\$ -

This financial information should be read only in connection with the summary of significant assumptions.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
FORECASTED 2021 BUDGET AS PROPOSED
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2019	ESTIMATED 2020	ADOPTED 2021
BEGINNING FUND BALANCE	\$ 2,212,268	\$ 1,998,830	\$ 1,898,300
REVENUES			
Property taxes	1,442,595	1,669,700	1,856,000
Specific ownership taxes	50,643	58,400	65,000
Capital Facilities Fees	97,850	103,000	103,000
Interest income	41,756	30,070	27,900
Total Revenues	1,632,844	1,861,170	2,051,900
Total Funds Available	3,845,112	3,860,000	3,950,200
EXPENDITURES			
Direct and indirect collection costs	78,295	108,712	169,187
Bond principal – Senior Bonds	-	85,000	285,000
Interest payments – Senior Bonds	1,767,987	1,767,988	1,763,313
Total Expenditures Requiring Appropriation	1,846,282	1,961,700	2,217,500
ENDING FUND BALANCE	\$ 1,998,830	\$ 1,898,300	\$ 1,732,700
SERIES 2018A BONDS – RESERVE FUND	\$ 654,168	\$ 654,168	\$ 654,168
SERIES 2018A BONDS – SURPLUS FUND	1,344,662	1,244,132	1,078,532
TOTAL DEBT RESERVE	\$ 1,998,830	\$ 1,898,300	\$ 1,732,700

This financial information should be read only in connection with the summary of significant assumptions.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
FORECASTED 2021 BUDGET AS PROPOSED
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2019	ESTIMATED 2020	ADOPTED 2021
DIRECT AND INDIRECT COLLECTION COSTS			
District accounting fees	\$ -	\$ 7,100	\$ 28,400
Administrative costs		-	1,000
Collection fees – County Treasurer (5% of property taxes)	72,195	83,500	92,800
Audit fees	-	-	6,000
Bond trustee fees	6,100	6,100	6,100
Board of directors' fees	-	-	-
Board training and conferences	-	-	-
Insurance	-	-	2,600
Legal fees – general	-	10,000	30,000
Contingency	-	1,987	2,287
Total General and Administration	\$ 78,295	\$ 108,687	\$ 169,187

This financial information should be read only in connection with the summary of significant assumptions.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Definition of Reporting Entity and Description of Services Provided
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Base Village Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on December 07, 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under an amended and restated consolidated service plan approved by the Town of Snowmass Village (Town) on October 23, 2006 ("Service Plan"). The Service Plan defines the powers and authorities of, as well as the limitations and restrictions on, the District and Base Village Metropolitan District No. 1 ("BV Metro 1").

The District was established to provide financing for the design, acquisition, construction and installation of streets, drainage, traffic and safety controls, park and recreation, transportation, and mosquito, pest control and other improvements (Public Improvements) within and without the District boundaries that benefit the taxpayers and inhabitants of the District. The District's service area is approximately 25.1 acres and comprised of a mix of condominium housing, hotels and retail shops and commercial development located in Pitkin County, Colorado entirely within the boundaries of the Town.

The District has no employees and all operations and administrative functions are contracted.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The boundaries of BV Metro 1 and the District do not overlap and, therefore, each District is controlled by and responsible to a separate group of voters. Thus, the voters and taxpayers within the District do not have the ability to elect directors to serve on the board of BV Metro 1 and the voters and taxpayers within BV Metro 1 do not have the ability to elect directors to serve on the board of the District.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity, including the Town and BV Metro 1.

Accounting Basis

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues

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.

On November 7, 2006, District voters authorized the District to assess a mill levy not to exceed 6 mills annually on all taxable real property within the District to pay the District's administration, operations and maintenance expenses (TABOR Imposed General Fund Mill Levy Maximum). Additionally, the District voters authorized the District to retain and spend all revenue collected from this mill levy regardless of any TABOR spending, revenue raising or other limitations.

The Service Plan establishes a Maximum Mill Levy of 49.5 mills that can collectively be assessed on property owners within the District, BV Metro 1 and Snowmass Village General Improvement District No. 1 ("GID") to fund the debt service and operational costs of these three entities. The Maximum Mill Levy may be adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since October 23, 2006 (the date the Service Plan was approved by the Town). As of October 23, 2006, the ratio was 7.96%. The ratio for 2021 is 7.15%, which caused the Maximum Mill Levy for 2021 to be 55.108.

The Service Plan allows for an exception to the Maximum Mill Levy. The District may establish a mill levy for debt service in any year that is sufficient to fund the annual principal and interest payments due on the District's general obligation debt even if the District's debt mill levy causes the Maximum Mill Levy that is collectively imposed across all three entities to be exceeded.

Entities Subject to Maximum Mill Levy Restriction	2019 (Actual)	2020 (Actual)	2021 (Budget)
District – debt mill levy	39.606	39.883	48.437
District – op mill levy	6.000	6.000	-
GID mill levy	6.000	6.000	6.000
Collective Mill Levy	51.606	51.883	54.437
Maximum Mill Levy (as adjusted)	54.725	55.108	55.108
(Over) / Under Max Mill Levy	3.119	3.225	0.680

For the collection year 2021, the District adopted a mill levy of 0.000 for operations and 48.437 (Senior Required Mill Levy – defined below) for debt service. The calculation is reflected on page 2 of the budget.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

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 3.5% of the property taxes collected.

Specific ownership tax is allocated proportionally between each fund based on the ratio of property tax revenue collected for each fund compared to total property revenue collected by the District.

Capital Facility Fees

On November 28, 2016, the District passed a resolution imposing a one-time Capital Facilities Fee on each Residential Unit which is payable to the District on the date each Residential Unit is sold by a Builder to an End User. The Capital Facilities Fee is \$5,150 per constructed Residential Unit. Capital Facilities Fees are included in the definition of Senior Pledged Revenue and are pledged towards the repayment of the Series 2016A Senior Bonds. The District estimates 20 Residential Units will be sold in 2020 and 20 Residential Units will be sold in 2021.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

Expenditures

General and Administrative Expenditures

General and administrative expenditures include legal, management, accounting, insurance, banking, and board meeting expenses necessary to ensure the District continues to provide services to District residents. Per the November 28, 2016 IGA between the District and BV Metro 1 (see below), the District reimburses BV Metro 1 for providing all general and administrative services to the District.

Direct and Indirect Collection Costs

The District provides no services to District residents and property owners. The District's sole function is to manage the repayment of the District's debts. Consequently, all costs incurred by the District are considered direct or indirect collection costs supporting the repayment of the District's debts.

Collection costs incurred by the District related to the collection of property taxes includes all costs incurred by the District that enable and support the District's ability to collect property taxes revenue. Generally, such costs include (a) operating and reporting compliance costs that protect the District's right to collect property taxes (e.g. financial statement audit fees, fees paid to professionals to prepare mandatory periodic financial and operational reports to the City and State, etc), (b) professional fees related to applying and monitoring accounting controls over the collection of District revenues, (c) costs related to managing the District's annual property tax assessment process

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

and (d) insurance protecting the District from liability exposure that potentially could arise from performing these activities.

IGA With BV Metro 1

BV Metro 1 owns and operates certain public facilities within the boundaries of the District (i.e. conference center, transit center and parking garage) and generates fee revenue from operating these public facilities. Fee revenue generated by BV Metro 1 from operating these public facilities has historically not been sufficient to cover the costs of operating and maintaining such facilities within the District.

On November 28, 2016, the District and BV Metro 1 entered into an Operations, Maintenance and Administrative Service Agreement (OMA Agreement). Per the OMA Agreement:

- BV Metro 1 provides all operating and administrative functions for the District;
- BV Metro 1 commits to generating property tax revenue to fund its operations and services with a mill levy of no less than 43.5 mills (Minimum BVMD1 Mill Levy). Because all real property within BV Metro 1 is commercial property, the Minimum BVMD1 Mill Levy is not adjusted annually for any changes in the ratio of taxable valuation to assessed valuation of real residential property.
- The District commits to levying a general fund mill levy that is sufficient to cover BV Metro 1's expenses net of property tax revenue generated from the Minimum BVMD1 Mill Levy and fee revenue generated from the operation of public facilities owned by BV Metro 1. The mill levy under this commitment cannot be adjusted to exceed the TABOR Imposed General Fund Mill Levy Maximum (which is 6 mills);
- The District's commitment to provide funding to BV Metro 1 terminates when BV Metro 1's revenues exceeds its expenditures;
- BV Metro 1 is committed to continue operating the public facilities located within the District and providing operating and administrative functions for the District after the District's funding commitment to BV Metro 1 is terminated.

Historic and projected funding by the District to BV Metro 1 under this IGA is provided on page 16.

Per the Senior Indenture of Trust, once the District is no longer obligated to transfer revenue generated by the 6 mills to BV Metro 2, the District has committed to continue assessing the 6 mills and pledged all revenue generated from this mill levy to funding the repayment of the Senior Bonds.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

Series 2016A Senior Bonds

On December 22, 2016, the District issued \$31,260,000 General Obligation Limited Tax Refunding Bonds, Series 2016A ("Senior Bonds"). The Senior Bonds were issued as two term bonds that bear interest at 5.50% (on \$11,785,000 principal) and 5.75% (on \$19,475,000 principal), and are payable semi-annually on June 1 and December 1, beginning on December 1, 2017. Annual mandatory sinking fund principal payments are due on December 1, beginning on June 01, 2017. The Senior Bonds mature on December 01, 2046.

The Senior Bonds are secured by and payable solely from Senior Pledged Revenue, net of any costs of collection, which is comprised of the following:

- a) all Senior Property Tax Revenues (generated by the imposition of the Senior Required Mill Levy);
- b) all Senior Specific Ownership Taxes (attributable to the Senior Required Mill Levy);
- c) all Capital Facility Fees;
- d) all Capital Levy Revenue (from which Shortfalls shall be paid); and
- e) any other legally available amounts that the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The Senior Required Mill Levy is defined as the mill levy necessary to generate sufficient property tax revenue during the year to (1) fully pay the annual principal and interest payment due on the Senior Bonds, (2) ensure the Senior Reserve Fund is replenished to \$654,168 (the Senior Reserve Requirement), and (3) the Surplus Fund is fully funded at the Maximum Surplus Amount. The Senior Required Mill Levy is either 37.5 mills or, if 37.5 mills combined with certain other revenue sources does not generate sufficient revenue to fully fund the annual principal and interest payment due on the Senior Bonds, 43.5 mills. The Senior Required Mill Levy is adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since October 23, 2006 (the date the Service Plan was approved by the Town). As of October 23, 2006, the ratio was 7.96%. The ratio for 2021 is 7.15%, which caused the Senior Required Mill Levy for 2021 to be either 41.748 mills or 48.428 mills.

Per Section 3.06 of the Senior Indenture of Trust, the District will be applying "Level B" Revenue to the Annual Debt Service Requirements in 2021. Level B Revenue consists of (1) property tax revenue generated from the Required Mill Levy of 41.748 mills net of any costs of collection, (2) related specific ownership tax revenue, (3) capital facility fee revenue and (4) amounts on deposit in the Surplus Fund in excess of \$1 million.

Amounts on deposit in the Senior Reserve Fund and in the Senior Surplus Fund also secure payment of the Senior Bonds. Available Senior Pledged Revenue, if any, is to be accumulated in the Senior Reserve Fund and the Senior Surplus Fund in accordance with the Senior Indenture up to the Senior Reserve Requirement and the Maximum Surplus Amount, respectively.

The Senior Bonds are subject to redemption prior to maturity, at the option of the District on December 01, 2021, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Date of Redemption	Redemption Premium (%)	Redemption Premium (\$)
December 01, 2021, to November 30, 2022	3.0%	\$ 937,800
December 01, 2022, to November 30, 2023	2.0%	\$ 625,200
December 01, 2023, to November 30, 2024	1.0%	\$ 312,600
December 01, 2024, and thereafter	0.0%	\$ -

The District's debt service schedule for its Senior Bonds is provided on page 15.

Capital Pledge Agreement between the District and BV Metro 1

On December 22, 2016, the District entered into a Capital Pledge Agreement with BV Metro 1 by which BV Metro 1 has pledged the Capital Levy Revenue to the District for payment of the Bonds (subject to the limitations as outlined in the Agreement). BV Metro 1 will impose a capital levy each year in the number of mills necessary to produce the Capital Levy Revenue in an amount at least equal to the amount required to cover the annual Shortfall (defined below) through a pledge of the Capital Levy Revenue to the District. The Capital Levy shall not exceed 43.5 mills, as adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since October 23, 2006. The Capital Levy Revenue includes the property tax revenue derived from the imposition of the Capital Levy plus specific ownership tax revenue allocable to such Capital Levy, less costs of collection.

The pledge of the Capital Levy Revenue secures the obligation of BV Metro 1 to make Shortfall payments in accordance with the Capital Pledge Agreement. The annual Shortfall is determined when the sum of the District Required Mill Levy, the proportionate share of Specific Ownership Taxes, the Capital Facility Fees received, and the moneys in the Surplus Fund in excess of \$1,000,000, are less than the Senior Debt Service Requirements for the same Bond Year. Such insufficiency shall constitute a "Shortfall" and a Shortfall shall be deemed to occur with respect to such Bond Year. No Shortfall is projected to occur in 2021.

Series 2016B Subordinate Bonds

On December 22, 2016, the District issued \$13,330,000 Subordinate General Obligation Limited Tax Refunding Bonds, Series 2016B ("Subordinate Bonds"). The Subordinate Bonds were issued at the rate of 6.500% per annum and are payable annually on December 15, beginning December 15, 2017, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2048. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15.

The Subordinate Bonds are secured by and payable from Subordinate Pledged Revenue, net of any costs of collection, which includes:

- a) all Subordinate Property Taxes (generated by the imposition of the Subordinate Required Mill Levy);
- b) all Subordinate Specific Ownership Taxes (attributable to the Subordinate Required Mill Levy);
- c) all Subordinate Capital Facility Fee Revenue (meaning any Capital Facility Fee Revenue remaining after deduction of any amounts applied to the payment of the Senior Bonds);
- d) any amounts released from the Senior Surplus Fund pursuant to the terms of the Senior Indenture; and

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

- e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District on December 01, 2021, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium (%)	Redemption Premium (\$)
December 15, 2021, to December 14, 2022	3.0%	\$ 399,900
December 15, 2022, to December 14, 2023	2.0%	\$ 266,600
December 15, 2023, to December 14, 2024	1.0%	\$ 133,000
December 15, 2024, and thereafter	0.0%	\$ -

In the event any amount of principal or interest on the Subordinate Bonds remains unpaid on December 15, 2048, the Subordinate Bonds will be discharged and the bondholders will have no recourse against the District.

Payments toward interest and principal on the Subordinate Bonds can be made provided the Series 2018A Bonds are current and the Reserve Fund and Surplus Fund for the Series 2018A Bonds are fully funded. The District is required to impose the minimum required mill levy of 37.5 mills until the Subordinate Series 2018B Bonds are fully paid or discharged on December 15, 2048; however, only revenues resulting from the number of mills equal to 37.5 mills less the Senior Required Mill Levy are pledged to payment of the Subordinate Series 2018B Bonds.

The Subordinate Required Mill Levy is adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since October 23, 2006. The Subordinate Required Mill Levy for 2021 is 0.000 mills (i.e. 41.748 mills less the Senior Required Mill Levy).

Leases

The District has no operating or capital leases.

Reserve Funds

Emergency Reserve

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending, excluding spending appropriations for bonded debt service, for 2021 as defined under TABOR.

Senior Bond Fund – Reserve Fund

The Senior Bond Reserve Fund was established as additional security for the bonds and will be used to fund any deficiencies in the amounts required to pay bond principal and interest when due. The Reserve Fund was initially funded from the proceeds of the Senior Bonds. In accordance with the Senior Indenture, the Senior Reserve Fund must be funded up to the Maximum Reserve Amount of \$654,168.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Senior Bond Fund – Surplus Fund

The Senior Bond Surplus Fund was established as additional security for the bonds and will be used to fund any deficiencies in the amounts required to pay bond principal and interest when due. The Surplus Fund will be funded solely from any Pledged Revenue remaining after annual payments on the Senior Bonds are fully satisfied and the Reserve Fund is fully funded. In accordance with the Senior Indenture, the Surplus Fund must be funded up to the Maximum Surplus Amount of \$2,000,000. The Maximum Surplus Amount will decrease to \$1,000,000 when the District's debt to assessed valuation ratio drops below 50%. Pursuant to the Subordinate Bond Indenture of Trust, any moneys released from the Senior Surplus Fund will be classified as Subordinate Pledged Revenue.

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

The District's repayment schedule for its Series 2016A Senior Bonds is as follows:

Year Ended December 31,	Principal	Interest	Interest Rate	Total
2021	\$ 285,000	\$ 1,763,313	5.50% – 5.75%	\$ 2,048,313
2022	385,000	1,747,637	5.50% – 5.75%	2,132,637
2023	410,000	1,726,463	5.50% – 5.75%	2,136,463
2024	475,000	1,703,912	5.50% – 5.75%	2,178,912
2025	500,000	1,677,788	5.50% – 5.75%	2,177,788
2026	570,000	1,650,287	5.50% – 5.75%	2,220,287
2027	600,000	1,618,938	5.50% – 5.75%	2,218,938
2028	680,000	1,585,937	5.50% – 5.75%	2,265,937
2029	715,000	1,548,538	5.50% – 5.75%	2,263,538
2030	800,000	1,509,213	5.50% – 5.75%	2,309,213
2031	845,000	1,465,212	5.50% – 5.75%	2,310,212
2032	940,000	1,418,738	5.50% – 5.75%	2,358,738
2033	990,000	1,367,037	5.50% – 5.75%	2,357,037
2034	1,090,000	1,312,587	5.50% – 5.75%	2,402,587
2035	1,150,000	1,252,637	5.50% – 5.75%	2,402,637
2036	1,265,000	1,189,388	5.50% – 5.75%	2,454,388
2037	1,330,000	1,119,812	5.75%	2,449,812
2038	1,455,000	1,043,338	5.75%	2,498,338
2039	1,540,000	959,674	5.75%	2,499,674
2040	1,680,000	871,125	5.75%	2,551,125
2041	1,775,000	774,524	5.75%	2,549,524
2042	1,930,000	672,462	5.75%	2,602,462
2043	2,040,000	561,488	5.75%	2,601,488
2044	2,210,000	444,188	5.75%	2,654,188
2045	2,335,000	317,113	5.75%	2,652,113
2046	3,180,000	182,850	5.75%	3,362,850
	<u>\$ 31,175,000</u>	<u>\$31,484,199</u>		<u>\$ 62,659,199</u>

The original face value of the Series 2016A Senior Bonds totaled \$31,260,000. Interest is payable each year on June 1st and December 1st, and principal payments are due each year on December 1st.

No debt-to-maturity schedule is provided for the Series 2016B Subordinate Bonds because such obligations are payable from Subordinate Pledged Revenue, if and when such revenue is available to repay these bonds.

This financial information should be read only in connection with the summary of significant assumptions.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
**FUNDING PROVIDED TO BV METRO 1 UNDER
 NOVEMBER 28, 2016 IGA**

Historic and projected funding by the District to BV Metro 1 under this IGA is as follows:

	2016 (Actual)	2017 (Actual)	2018 (Actual)	2019 (Actual)	2020 (Estimated)	2021 (Budgeted)	Total (Note B)
Gross revenue – BV Metro 1 (Note A)	\$ 566,358	\$ 605,561	\$ 844,210	\$ 1,031,929	\$ 941,884	\$ 975,800	
BV Metro 1 expenditures	(1,050,782)	(1,096,756)	(952,690)	(1,163,785)	(1,165,511)	(1,165,500)	
BVMD1 net (expense)/revenue	(484,424)	(491,195)	(108,480)	(131,856)	(223,627)	(189,700)	
District funding provided to BV Metro 1	218,039	219,543	191,977	215,987	247,900	-	
Funds provided to BV Metro 1 in excess of IGA funding commitment	\$ -	\$ -	\$ 83,497	\$ 84,131	\$ 24,273	(\$ 189,700)	\$ 2,201

Note A – Because all taxable real property within the boundaries of BV Metro 1 is commercial property, BV Metro 1 is not required to adjust its Minimum Mill Levy Commitment for changes in the ratio of taxable valuation to assessed valuation of real property since October 23, 2006 (the date the Service Plan was approved by the Town).

Note B – Because the District over-funded BV Metro 1 in 2018, 2019 and 2020 by approximately \$287,585, the District will provide no funds to BV Metro 1 in 2021. The District's projected over funding of BV Metro 1 by the end of 2021 is projected to be approximately \$2,201.

This financial information should be read only in connection with the summary of significant assumptions.

Ad #: 0000641321-01
Customer: LEGALS HOUSE ACCOUNT,
Your account number is: 2927005

PROOF OF PUBLICATION
ASPEN TIMES
STATE OF COLORADO
COUNTY OF PITKIN

I, Samantha Johnston, do solemnly swear that I am Associate General Manager of the ASPEN TIMES, that the same daily 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 a periodical under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a daily 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 daily newspaper for the period of 1 insertion; and that the first publication of said notice was in the issue of said newspaper dated 12/3/2020 and that the last publication of said notice was dated 12/3/2020 in the issue of said newspaper.

In witness whereof, I have here unto set my hand this day, 12/8/2020.

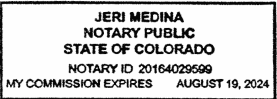


Samantha Johnston, Associate General Manager

Subscribed and sworn to before me, a notary public in and for the County of Pitkin, State of Colorado this day 12/8/2020.



Jeri Medina, Notary Public
My Commission Expires: August 19, 2024



NOTICE CONCERNING PROPOSED 2021
BUDGET OF BASE VILLAGE
METROPOLITAN DISTRICT NO. 2

NOTICE is hereby given that a proposed budget has been submitted to the Board of Directors of Base Village Metropolitan District No. 2 for the ensuing year of 2021; that a copy of such proposed budget has been filed in the office of Wolfersberger, LLC 8354 Northfield Blvd, Building G, Suite 3700, Denver, Colorado 80238, where the same is open for public inspection; and that such proposed budget will be considered at a public hearing of the Board of Directors of the District to be held on Friday December 04, 2020 at 8:00 a.m. online location: <https://www.gotomeet.me/Wolfersberger> Members of the public may also participate via phone using the dial-in number (571) 317-3112 and access code #937-865-597. Any elector within the District may, at any time prior to the final adoption of the budget, inspect the budget and file or register any objections there-to.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
By: Charles Wolfersberger District Manager

Published In The Snowmass Sun on December 3, 2020 0000641321

BASE VILLAGE METROPOLITAN DISTRICT NO. 2 RESOLUTION TO ADOPT BUDGET

WHEREAS, the Board of Directors (“Board”) of Base Village Metropolitan District No. 2 (“District”) has appointed Wolfersberger, LLC (“District Manager”) to prepare and submit a proposed 2021 budget to the Board at the proper time; and

WHEREAS, the District Manager has submitted the proposed budget to the Board for its consideration on November 15; and

WHEREAS, upon due and proper notice, posted in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on December 04, 2020, and interested electors were given the opportunity to file or register any objections to the budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“TABOR”) and other laws or obligations which are applicable to or binding upon the District; and

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

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Base Village Metropolitan District No. 2:

1. That estimated expenditures for each fund are as follows:

General Fund	\$ -
Contractual Obligation Fund	47,300
Debt Service Fund	2,217,500

2. That estimated revenues for each fund are as follows:

General Fund:	
From unappropriated surpluses	\$ -
From sources other than general property tax	-
From general property tax	-
Subtotal	\$ -

Contractual Obligation Fund:	
From unappropriated surpluses	\$ -
From sources other than general property tax	1,600
From general property tax	45,700
Subtotal	\$ 47,300

Debt Service Fund:	
From unappropriated surpluses	\$ 1,898,300
From sources other than general property tax	195,900
From general property tax	1,856,000
Subtotal	\$ 3,950,200

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of Base Village Metropolitan District No. 2 for the 2021 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the District Manager to all appropriate agencies and is made a part of the public records of the District.

TO SET MILL LEVIES

WHEREAS, the amount of tax revenues necessary to balance the budget for general operating expenses is \$0; and

WHEREAS, the amount of tax revenues necessary to balance the budget for contractual obligation expenses is \$45,700; and

WHEREAS, the amount of tax revenues necessary to balance the budget for debt service expenses is \$1,856,000; and

WHEREAS, the 2021 valuation for assessment of the District to fund general operating expenses, contractual obligation expenses and debt costs as certified by the County Assessor, is \$44,457,740.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Base Village Metropolitan District No. 2:

1. That for the purpose of meeting all general operating expenses of the District during the 2021 budget year, there is hereby levied a property tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$0.

2. That for the purpose of meeting the cost of a certain legal settlement agreement of the District during the 2021 budget year, there is hereby levied a property tax of 1.028 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$45,700.

3. That for the purpose of meeting all debt retirement expenses of the District during the 2021 budget year, there is hereby levied a property tax of 41.748 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$1,856,000.

4. That the District Manager is hereby authorized and directed to immediately certify to the County Commissioners of Adams County, Colorado, the mill levies for the District as hereinabove determined and set.

TO APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the District has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Base Village Metropolitan District No. 2 that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

General Fund	\$ -
Contractual Obligations Fund	47,300
Debt Service Fund	3,950,200

Adopted this 04th day of December 2020.

BASE VILLAGE METROPOLITAN DISTRICT
NO. 2

By: DocuSigned by:
Thomas Kosich
4871974A8A654BD
Thomas Kosich, Chairman

ATTEST:

By: _____
Secretary

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: The County Commissioners of PITKIN COUNTY, Colorado

On behalf of the BASE VILLAGE METROPOLITAN DISTRICT NO. 2

(taxing entity)

the BOARD OF DIRECTORS

(governing body)

of the BASE VILLAGE METROPOLITAN DISTRICT NO. 2

(local government)

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of:

\$ 44,457,740

(GROSS assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area, the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

\$ 44,457,740

(NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/05/2020 for the budget/fiscal year 2021
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)

LEVY

REVENUE

1.	General Operating Expenses	<u>n/a</u>	mills	<u>n/a</u>
2.	<Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	<u>n/a</u>	mills	<u>n/a</u>
	SUBTOTAL FOR GENERAL OPERATING:	<u>n/a</u>	mills	<u>n/a</u>
3.	General Obligation Bonds and Interest	<u>41.748</u>	mills	<u>1,856,022</u>
4.	Contractual Obligations	<u>1.028</u>	mills	<u>45,702</u>
5.	Capital Expenditures	<u>n/a</u>	mills	<u>n/a</u>
6.	Refunds/Abatements	<u>n/a</u>	mills	<u>n/a</u>
7.	Other (specify):	<u>n/a</u>	mills	<u>n/a</u>

TOTAL:

Sum of General Operating
Subtotal and Lines 3 to 7

42.776

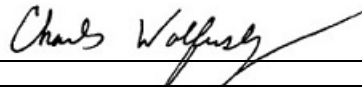
mills

\$ 1,901,724

Contact person: Charles Wolfersberger
(print)

Daytime
phone: (720) 541-7725

Signed:



Title: District Manager

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS:

- | | | |
|----|-------------------|--|
| 1. | Purpose of Issue: | <u>Refund the District's series 2013 debt and series 2011 bonds</u> |
| | Series: | <u>Series 2016A GO Limited Tax Refunding Bonds (\$31.26 million)</u> |
| | Date of Issue: | <u>December 22, 2016</u> |
| | Coupon Rate: | <u>5.50% to 5.75%</u> |
| | Maturity Date: | <u>December 01, 2046</u> |
| | Levy: | <u>41.748</u> |
| | Revenue: | <u>\$1,856,022</u> |
| | | |
| 2. | Purpose of Issue: | <u>Refund the District's series 2013 debt and series 2011 bonds</u> |
| | Series: | <u>Series 2016B GO Limited Tax Refunding Bonds (\$13.33 million)</u> |
| | Date of Issue: | <u>December 22, 2016</u> |
| | Coupon Rate: | <u>6.5%</u> |
| | Maturity Date: | <u>December 15, 2048</u> |
| | Levy: | <u>0.000</u> |
| | Revenue: | <u>\$0</u> |

CONTRACTS:

- | | | |
|----|----------------------|--|
| 1. | Purpose of Contract: | <u>Settlement of litigation against defendant Hypo Real Estate Capital Corporation</u> |
| | Title: | <u>Settlement Agreement with Hypo Real Estate Capital Corporation</u> |
| | Date: | <u>July 25, 2020</u> |
| | Principal Amount: | <u>\$45,000</u> |
| | Maturity Date: | <u>April 15, 2021</u> |
| | Levy: | <u>1.028</u> |
| | Revenue: | <u>\$45,700</u> |
| | | |
| 2. | Purpose of Contract: | <u>n/a</u> |
| | Title: | <u>n/a</u> |
| | Date: | <u>n/a</u> |
| | Principal Amount: | <u>n/a</u> |
| | Maturity Date: | <u>n/a</u> |
| | Levy: | <u>n/a</u> |
| | Revenue: | <u>n/a</u> |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.