

MINUTES OF THE JOINT SPECIAL MEETING OF THE
BOARDS OF DIRECTORS

OF

BASE VILLAGE METROPOLITAN DISTRICT NO. 1 and
BASE VILLAGE METROPOLITAN DISTRICT NO. 2

Held: Monday, November 28, 2016 at 1:00 p.m.
Capitol Peak Conference Center, 110 Carriage Way,
Snowmass Village, Colorado

Attendance

A joint special meeting of the Boards of Directors of Base Village Metropolitan District No. 1 and Base Village Metropolitan District No. 2 was called and held as shown above and in accordance with the applicable law of the State of Colorado. The following directors, having confirmed their qualification to serve on the Boards, were in attendance:

Jim D'Agostino
Matt Foley
Craig Monzio
Leticia Hanke (*via telephone*)
Steve Sewell

All director absences are deemed excused unless otherwise noted in these minutes.

Also present in person were: Whit Sterling and Riley Evans, Snowmass Hospitality; William P. Ankele, Jr., Esq., White Bear Ankele Tanaka & Waldron, District General Counsel; Andy Gunion, East West Partners; and Dawn Blasberg, Related. Present by telephone were: Trisha K. Harris, Esq., Stephanie Chichester, North Slope Capital; Sarah Hunsche, CliftonLarsonAllen, District Accountants, and property owners Bruce Smith, Pat Keefer and Mel Blumenthal.

Joint Meetings

The Boards of Directors of the Districts determined to hold joint meetings of the Districts and to prepare joint minutes of action taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes shall be deemed to be the action of all Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

Call to Order/Declaration of
Quorum

Director Monzio chaired the meeting, noted that a quorum of each of the Boards was present, and called the joint regular meeting of the Boards of Directors of Base Village Metropolitan District Nos. 1 & 2 to order.

**Conflict of Interest
Disclosure Matters**

Pursuant to Colorado law, certain disclosures by the Board members may be required prior to taking official action at the meeting. The Boards reviewed the agenda for the meeting, following which each Board member confirmed the contents of written disclosures previously made, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting.

Agenda

The Boards determined that participation by the directors with potential conflicts of interest was necessary to obtain a quorum or otherwise enable lawful action to occur

Mr. Ankele presented the proposed agenda to the Boards for consideration. Mr. Ankele requested that the items listed under "Legal" on the agenda be moved to follow the Public Comment section, to accommodate a meeting with the Pitkin County Assessor. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the agenda with the requested change.

Consent Agenda

Mr. Ankele summarized the items presented on the Consent Agenda. Upon motion duly made, seconded and unanimously carried, the Consent Agenda items were approved:

1. Joint Resolution Terminating the Amended and Restated Joint Resolution of BVMD 1 and BVMD 2 to Establish a Capital Facility Fee
2. Resolution of the Board of Directors of BVMD 2 Concerning the Imposition of a Capital Facilities Fee
3. Resolution of the Board of Directors of BVMD 2 Establishing Guidelines for the Processing and Collection of Delinquent Fees and Costs
4. Minutes from October 26 and November 16, 2016 meetings.

Public Comment

Various members of the public were either present or on the telephone and addressed the Board on topics of interest to the public. A transcript of public comment is not provided as part of the minutes, which are a summary of major topics.

Ms. Pat Keefer stated that a letter has been submitted to the District's general counsel shortly before this Board meeting announcing the commencement of a recall of the Board and requesting the Board defer action until taxpayer and elector evaluation can occur. Mr. Ankele stated he was in receipt of the letter. Ms. Keefer also objected to the Boards taking action due to conflicts of interest.

Legal

**Insurance Matters
Property and Liability
Schedule Limits**

Mr. Ankele presented the Property and Liability insurance renewals to the Boards for consideration. Upon motion duly made, seconded and unanimously carried, the insurance renewal was approved.

District Boundaries

Mr. Ankele noted that a meeting with the Pitkin County Assessor was scheduled for later in the day to discuss the County Assessor's preferred method for ensuring that commercial property is assessed within District No. 1 and residential within District No. 2. Accordingly, the legal items relating to hearings on inclusion/exclusion proceedings and the item relating to the Motion to Amend the 2008 Inclusion/Exclusion Orders should be taken in the alternative. The approach to be used will be based on input from the County Assessor.

Hearing on Petition for Inclusion for District No. 1 and Consider Adoption of a Resolution Approving the Petition and Order for Inclusion

The Board of District No. 1 acknowledged receipt of a Petition for Inclusion filed by Snowmass Acquisition Company. Mr. Ankele stated that a Resolution had been prepared by which the inclusion would be approved. Mr. Monzio opened the public hearing on the inclusion. Ms. Pat Keefer objected to the Board taking action on the Petition. Following discussion, and upon motion duly made, seconded and unanimously carried, the Resolution was approved.

Hearing on petition for Exclusion for District NO. 2 and Consider Adoption of a Resolution Approving the Petition and Order for Exclusion

The Board of District No. 2 acknowledged receipt of a Petition for Exclusion filed by Snowmass Acquisition Company. Mr. Ankele stated that a Resolution had been prepared by which the exclusion would be approved. Mr. Monzio opened the public hearing on the inclusion. Ms. Pat Keefer objected to the Board taking action on the Petition. Following discussion, and upon motion duly made, seconded and unanimously carried, the Resolution was approved.

Consider Approval of a Motion to Amend 2008 Inclusion/Exclusion Orders

Mr. Ankele presented the Motion to Amend 2008 Inclusion/Exclusion Orders to the Boards for consideration. Following discussion, and upon motion duly made, seconded and unanimously carried, the Motion was approved.

Consider Approval of a 2017 Extension of Second Amended and Restated Public Facilities Management Agreement between BVMD 1 and Snowmass Hospitality, LLC

Mr. Ankele presented the 2017 Extension of Second Amended and Restated Public Facilities Management Agreement between District No. 1 and Snowmass Hospitality, LLC to the Board for consideration. Following discussion, and upon motion duly made, seconded and unanimously carried, the Extension was approved.

Consider Approval of a Termination of Amended and Restated District Public Improvements Joint Financing, Construction and Service Agreement between BVMD 1 and BVMD 2

Mr. Ankele presented the Termination of Amended and Restated District Public Improvements Joint Financing, Construction and Service Agreement between BVMD 1 and BVMD 2 to the Boards for consideration. Following discussion, and upon joint motion duly made, seconded and unanimously carried, the Termination was approved.

Consider Approval of an Operation, Maintenance and Administrative Services Agreement between BVMD 1 and BVMD 2, which constitutes a limited tax obligation on the part of

Mr. Ankele presented the Operation, Maintenance and Administrative Services Agreement between BVMD 1 and BVMD 2 to the Boards for consideration. He explained that this Agreement provides for District No. 1 to be responsible for operations on the part of both Districts, with District No. 1 levying 43.5 mills for operating costs, and District No. 2 levying 6 mills. At the time that 43.5 mills from District No. 1 is sufficient to meet the joint operating costs, District No. 2 will no

District No. 2

longer be responsible for contributing to operating costs. Following discussion, and upon motion duly made, seconded and unanimously carried, the Agreement was approved.

Consider Approval of an Omnibus Funding and Reimbursement Agreement by and between BVMD 1 and SV Bond Holdings

Mr. Ankele presented the Omnibus Funding and Reimbursement Agreement by and between District No. 1 and SV Bond Holdings to the Board of District No. 2 for consideration. He explained that this agreement releases District No. 2 from any responsibility for reimbursing the developer for any costs that were being carried under various reimbursement agreements. These amounts total \$9,226,476, and under the proposed Agreement would become the sole obligation of District No. 1.

Consider Approval of an Operation Guarantee Agreement between BVMD 1 and Snowmass Holdings, LLC

Mr. Ankele presented the Operation Guarantee Agreement between District No. 1 and Snowmass Holdings, LLC to the Board of District No. 1 for consideration. This Agreement will provide supplemental operating funds if required to meet joint operating expenses. Following discussion, and upon motion duly made, seconded and unanimously carried, the Agreement was approved.

Consider Approval of Exclusion Agreement between District No. 1, District No. 2 and Snowmass Ventures, LLC

Mr. Ankele presented the Exclusion Agreement between District No. 1, District No. 2 and Snowmass Ventures, LLC to the Boards for consideration. He explained that this Agreement provides for the parties to cooperate in ensuring that future commercial development is included in District No. 1 and residential development in District No. 2, to enable the common plan of finance represented by the refinancing transaction and the various agreements being approved at today's meeting. Following discussion, and upon motion duly made, seconded and unanimously carried, the Agreement was approved.

Management

Conference Center Report

Ms. Blasberg presented a written report to the Boards regarding the Conference Center activities which was submitted in the meeting packet. The Boards discussed various marketing initiatives. Riley Evans presented the financials for the conference center.

Parking Garage Report

Mr. Sterling reported to the Boards on the Parking Garage activities per the written report presented at the meeting. It was suggested that the board should consider a cashless system in the parking garage to cut down on man hours. In addition the Boards will provide three rodent traps to determine if there are enough rodents to necessitate a pest control contract. Riley Evans presented the financials for the parking garage.

Transit Center Report

The Boards reviewed the Transit Center activities written report provided in the meeting packet presented at the meeting by Mr. Sterling. Riley Evans presented the financials for the transit center.

Financial Matters

Financial Schedules/Payables Review/Approval

Ms. Hunsche presented the financial report to the Boards. Upon a motion duly made, seconded and unanimously carried, the Boards approved the financial report and payables.

Conduct Hearing on 2017 Budget for District No. 1 and Consider Approval of a Resolution Approving the 2017 Budget

Ms. Hunsche presented the 2017 budget for District No. 1 to the Board for consideration. Director Monzio opened the public hearing on the 2017 budget for District No. 1. It was noted that publication of the Notice stating that the Board of District No. 1 would consider the 2017 budget and date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing. There being no public comment, the hearing was closed.

Following a review and a discussion, a motion was duly made and seconded to approve and adopt the 2017 budget for District No. 1 and adopt a Resolution Approving the Budget. The motion was passed unanimously.

Conduct Hearing on 2017 Budget for District No. 2 and Consider Approval of a Resolution Approving the 2017 Budget

Ms. Hunsche presented the 2017 budget for District No. 2 to the Board for consideration. Director Monzio opened the public hearing on the 2017 budget for District No. 2. It was noted that publication of the Notice stating that the Board of District No. 2 would consider the 2017 budget and date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing.

Ms. Keefer commented that the budget for District No. 2 was complicated and that many of the items warranted further review before being acted on. There being no further public comment, the hearing was closed.

Following a review and a discussion, a motion was duly made and seconded to approve and adopt the 2017 budget for District No. 2 and adopt a Resolution Approving the Budget. The motion was passed unanimously.

Conduct Hearing on 2016 Budget Amendment for District No. 1 and Consider Approval of a Resolution Approving the 2016 Budget Amendment

Ms. Hunsche presented the 2016 budget amendment to the Board for consideration. Director Monzio opened the public hearing on the 2016 amended budget for District No. 1. It was noted that publication of the Notice stating that the Board of District No. 1 would consider the 2016 amended budget and date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing. After no public comment was made, the hearing was closed.

Following a review and a discussion, a motion was duly made and seconded to approve the 2016 budget amendments and adopt a Resolution Approving the 2016 Budget Amendments. The motion was passed unanimously.

Conduct Hearing on 2016 Budget Amendment for District No. 2 and Consider Approval of a Resolution Approving the 2016 Budget Amendment

Ms. Hunsche presented the 2016 budget amendment to the Board for consideration. Director Monzio opened the public hearing on the 2016 amended budget for District No. 2. It was noted that publication of the Notice stating that the Board of District No. 2 would consider the 2016 amended budget and date, time and place of the public hearing was made in a newspaper having general circulation within the

District. No written objections were received prior to the public hearing.

Ms. Keefer expressed concern that the total issuance costs for the refinancing were in excess of \$1.0 Million and that competitive bids should have been solicited. There being no other public comment, the hearing was closed.

Following a review and a discussion, a motion was duly made and seconded to approve the 2016 budget amendment and adopt a Resolution Approving the 2016 Budget Amendment. The motion was passed unanimously.

Auditor Proposals for 2016 Audit

Ms. Hunsche presented the proposals from Barnes Griggs and Associates for the 2016 audit. Following a review, a motion was duly made and seconded to approve and accept the proposals. The motion was passed unanimously.

Update on Refunding Bond Issue

The Boards engaged in a general discussion concerning work in progress to further develop the potential refunding options. Steph Chichester of North Slope Capital reported on their ongoing work to analyze and report on the economic aspects of the refinancing, and stated they would be issuing a Pricing Certificate when final interest rates and terms were established, expected to occur in mid-December.

Other Business

No other business came before the Boards.

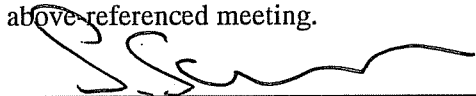
Executive Session

No Executive Session was held.

Adjourn

There being no further business to come before the Boards, and upon motion duly made, seconded and unanimously carried, the meeting was adjourned.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.


Secretary for the Meeting

The foregoing minutes were approved on the 25 day of January, 2017.