

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: Thursday, the 22<sup>nd</sup> day of September, 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  
Steve Sewell  
Craig Monzio  
Leticia Hanke

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

Also present were: William P. Ankele, Jr., Esq. and Trisha Harris, White Bear Ankele Tanaka & Waldron, Attorneys at Law; Sarah Hunsche, CliftonLarsonAllen LLP; Whit Sterling, Kelly Brockett, Riley Evans, Snowmass Hospitality; and owners Bruce Smith, Pat Keefer, Stuart Nathan, Vicki Weinstein, and Michal Mayer (via phone); Sam Sharp, D.A.Davidson; Andy Gunion, East West Partners; and Steph Chichester, NorthSlope Capital (via telephone).

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 this meeting, noted that a quorum of each of the Boards was present and called the joint special 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.

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

Agenda

Mr. Ankele noted that the announcement of Related selling its Base Village assets to East West Partners/SkiCo/ and KSL Capital has created a unique opportunity to lower the debt service and taxes of Base Village. The purpose of meeting is to review proposals and discuss engaging consultants to analyze the opportunities. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the agenda, subject to moving the public comment period to after the presentation by D.A. Davidson.

D.A Davidson Presentation

Mr. Sam Sharp presented a powerpoint outlining the current debt structure of the Districts, and providing an overview of the current bond market that, together with the proposed acquisition of the project, warranted evaluation of refinancing/restructuring options. Various questions from Board members were addressed during the course of the presentation and afterwards.

Public Comment

Various members of the public either present or on the telephone addressed the Board on the topic of the refinancing presentation and other 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 and actions. Public comment was made by Mr. Bruce Smith regarding the fact that bonds were never issued for the aqua center, and concerns over cost management oversight during the period when bond proceeds were spent. Mr. Stuart Nathan had remarks concerning the proposed refinancing and concerns regarding payment of debt in the future. Ms. Pat Keefer had a number of questions concerning District authority under the Service Plan, the debt burden on District residents, and the disparity between the mill levy within the Districts versus other areas in Snowmass Village.

Review of Consultant  
Agreements

The Board reviewed and discussed various agreements presented per the agenda that would be necessary if a refinancing transaction was to proceed. Mr. Ankele recommended that before approving all the contracts, that North Slope be hired to review the proposals, and undertake an analysis of the refinancing presentation as an independent financial advisor to District No. 2, as proposed issuer, and make recommendations to the Board at a future meeting. Upon a motion duly made and seconded, the Board unanimously approved the North Slope consulting contract. The remainder of the agreements will be discussed at the September 28, 2016 regular meeting.

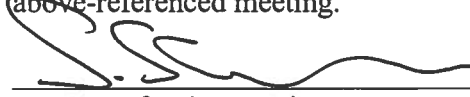
Executive Session

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 28<sup>th</sup> day of September, 2016.

DRAFT SUBJECT TO APPROVAL