

BASE VILLAGE METROPOLITAN DISTRICT NOS. 1 & 2

JOINT REGULAR MEETING

Wednesday, February 22, 2017 at 1:00 PM

Capitol Peak Conference Center

110 Carriage Way

Snowmass Village, Colorado

Agenda

Steve Sewell, Secretary
Term to May, 2020

1. Call to Order
2. Declaration of Quorum
3. Director Conflict of Interest Disclosures
4. Approval of Agenda
5. Approval of Minutes
 - a. January 25, 2017 Regular Meeting Minutes (*enclosure*)
6. Public Comment—*Members of the public may express their views to the Board on matters that affect the Districts. Comments will be limited to three (3) minutes.*
7. Financial Matters
 - a. Financial Schedules/Payables Review/Approval (*enclosure*)
8. Consider Appointment of Directors
 - a. Oaths of Office
9. Management
 - a. Conference Center Report
 - b. Parking Garage Report
 - c. Transit Center Report
10. Legal
 - a. Consider Approval of Resolution Designating 24 Hour Posting Location (*enclosure*)
 - b. Consider Approval of Director's Fees
11. Other Business
 - a. Discussion of Additional Vacancies and Public Participation
 - b. Consider Approval of Engagement Letter with CLA Municipal Advisor entity (*enclosure*)
12. Executive Session (if needed)
13. Adjourn

**Regular meetings are the fourth Wednesday of each month at 1:00 p.m.
The next meeting is Wednesday, March 22, 2017**

MINUTES OF THE JOINT REGULAR MEETING OF THE
BOARDS OF DIRECTORS

OF

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

Held: Wednesday, January 25, 2016 at 1:00 p.m.
Capitol Peak Conference Center, 110 Carriage Way,
Snowmass Village, Colorado

Attendance

A joint regular 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:

Matt Foley
Craig Monzio
Steve Sewell

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

Also present in person were: Kelly Brocket, Snowmass Hospitality; Andy Gunion, Pete Goergen and Scott Williams, East West Partners; and property owners Bruce Smith, Joe Flynn, and Michael Reichert. Present by telephone were: William P. Ankele, Jr., Esq., and Trisha K. Harris, White Bear Ankele Tanaka & Waldron, District General Counsel; Sarah Hunsche, CliftonLarsonAllen, District Accountants; Colleen Weiss and Liza Smith, East West Partners; Brooke Hutchens, DA Davidson; and property owners Pat Keefer, Stuart Nathan, Richard Goodwin, Bob Chodos 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. Mr. Ankele answered various questions from the public on how directors are qualified to occupy seats on the Boards.

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 presented the proposed agenda to the Boards for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the agenda.

Approval of Minutes

The Board reviewed the minutes from the November 28, 2016. Following a discussion, a motion was duly made and seconded to approve the minutes as presented.

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.

Mr. Goodwin expressed his view that he did not believe the current Board of Directors was qualified to serve and that property owners should be appointed to the Boards.

Mr. Nathan inquired how the potential conflict disclosures are filed. Mr. Ankele stated that they are filed with the Districts and with the Secretary of State prior to each meeting.

Mr. Chodos had questions concerning the profitability of various aspects of District operations, in particular in relation to the Transit Center, which he asserted was a Town-wide amenity but the Town was not assisting with funding.

Management

Conference
Center Report

Ms. Brocket 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.

Ms. Keefer inquired whether information about the dollar value of planned bookings could be included in the report.

Extended discussion concerning Mr. Chodos's comments regarding profitability of operations of the Conference Center and other assets occurred.

Parking Garage Report Ms. Brockett reported to the Boards on the Parking Garage activities per the written report presented at the meeting. She noted that a draft of a reserve study had been received and was being reviewed.

Transit Center Report The Boards reviewed the Transit Center activities written report provided in the meeting packet presented at the meeting by Ms. Brockett.

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.

Cash Addendum to the CliftonLarsonAllen Agreement Ms. Hunsche presented an addendum to the Clifton Larsen Allen engagement relating to CLA’s obligations regarding cash handling on behalf of the Districts. There is no additional fee for this service, and the letter reflects current practices by Clifton Larsen Allen. Upon motion duly made, seconded and unanimously carried, the Boards approved the Addendum.

Refinancing Update Discuss Property Owner Mailing for Post-Closing Financing Summary Mr. Ankele reported that the bond refinancing had successfully closed on December 22, 2016 and noted that a summary of the transaction and the final report from North Slope Capital had been included with the meeting packet.

Ms. Keefer stated that, as has been previously commented, she did not believe the transaction goals contained in the North Slope Capital Report upon which the financial impacts of the transaction were judged, reflected the goals of the property owner group, as the group had not been consulted. She requested a copy be provided of the marketing report that had been generated as part of the transaction. Mr. Ankele indicated that the marketing report was contained in the disclosure document for the transaction that was posted on his Firm’s website.

Legal

Consider Approval of Resolution Designating 24 Hour Posting Location Mr. Ankele presented a Resolution for the Boards that would establish certain posting locations for meeting notices within the Districts’ boundaries. During discussion, members of the public requested that action be deferred so consultation could be had on these locations. Action was deferred to the next meeting.

Approve Rescission of Inclusion/Exclusion Resolutions Mr. Ankele stated that Resolutions of Inclusion and Exclusion that were approved at the November 28, 2016 Board meeting as a contingency pending discussions with the Pitkin County Assessor, were not needed based on those discussions, and to avoid confusion, should be rescinded. The Pitkin County Assessor will continue to allocate commercial units and residential units to be constructed in the future into District No. 1 and District No. 2, respectively, per the Districts’ financial plan. Upon motion duly made, seconded and unanimously carried, the District No. 1 Board declared the Resolution

Approving the Petition and Order for Inclusion rescinded. Upon motion duly made, seconded and unanimously carried, the District No. 2 Board declared the Resolution Approving the Petition and Order for Exclusion rescinded.

Other Business

Discuss Transition Plan

Discussion commenced concerning the transition of Board seats. Mr. Ankele stated that a Notice of Vacancy for each District was prepared and ready for submittal to the Snowmass Sun for publication next Wednesday. He explained that it announced a 10 day period during which any existing eligible elector of each District could indicate a desire to fill vacant seats.

Ms. Keefer noted that there was an extremely small pool of eligible electors due to the requirement that any Board member be a registered Colorado voter. Mr. Ankele explained that this particular requirement was per statute. Discussion ensued regarding how to coordinate expressions of interest so as to generate responses.

Mr. Ankele explained that appointments to fill vacancies could occur at the next regular meeting scheduled for February 22, 2017.

Resignation of Directors

Mr. Monzio and Mr. Foley announced their resignations from the Board. Mr. Sewell thanked them for their service on the Board.

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 ____ day of February, 2017.

Base Village Metropolitan District No. 1
Schedule of Cash Position
December 31, 2016
Updated as of February 16, 2017

	General Fund	Capital Projects Fund	Total
<u>U.S. Bank Checking</u>			
Balance as of 12/31/16	\$ 45,216.85	\$ 1,965.00	47,181.85
Subsequent activities:			
December held checks	(71,482.11)	-	(71,482.11)
01/03/17 - Transfer from CSAFE	35,000.00	-	35,000.00
01/19/17 - Vouchers Payable	(135,839.19)	-	(135,839.19)
01/26/17 - Transfer from Alpine	150,000.00	-	150,000.00
02/19/17 - Vouchers Payable	(66,003.80)	-	(66,003.80)
<i>Anticipated transfer to District #2 - fees</i>	(5,150.00)	-	(5,150.00)
<i>Anticipated transfer to CSAFE</i>	(5,000.00)	-	(5,000.00)
<i>Anticipated transfer from Alpine</i>	100,000.00	-	100,000.00
<i>Anticipated Balance</i>	46,741.75	1,965.00	48,706.75
<u>CSAFE</u>			
Balance as of 12/31/16	\$ 22,055.85	\$ 56,950.86	\$ 79,006.71
Subsequent activities:			
01/03/17 - Transfer to US Bank	(35,000.00)	-	(35,000.00)
01/10/17 - Pitkin County #1	326.09	-	326.09
01/31/17 - Interest income	29.29	-	29.29
02/10/17 - Pitkin County #1	348.24	-	348.24
<i>Anticipated transfer from BV#2</i>	7,919.82	-	7,919.82
<i>Anticipated transfer from checking</i>	5,000.00	-	5,000.00
<i>Anticipated Balance</i>	679.29	56,950.86	57,630.15
<u>Alpine Bank - on-site deposits</u>			
Balance as of 12/31/16	\$ 73,214.79	\$ -	\$ 73,214.79
January deposits	110,375.06	-	110,375.06
January bank service charges	(1,949.78)	-	(1,949.78)
01/26/17 - Transfer to US Bank	(150,000.00)	-	(150,000.00)
<i>Anticipated February deposits</i>	75,000.00	-	75,000.00
<i>Anticipated transfer to US Bank</i>	(100,000.00)	-	(100,000.00)
<i>Anticipated Balance</i>	6,640.07	-	6,640.07
<i>Anticipated Balances</i>	\$ 54,061.11	\$ 58,915.86	\$ 112,976.97

Yield information at 01/31/17

CSAFE - 0.75%

BASE VILLAGE METROPOLITAN DISTRICT #1
Property Taxes Reconciliation
2017

	Current Year							Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
							Monthly	Y-T-D		Monthly	Y-T-D
January	\$ -	\$ -	\$ 348.24	\$ -	\$ -	\$ 348.24	0.00%	0.00%	\$ 338.38	0.00%	0.00%
February	-	-	-	-	-	-	0.00%	0.00%	431.16	0.07%	0.07%
March	-	-	-	-	-	-	0.00%	0.00%	526.95	0.21%	0.28%
April	-	-	-	-	-	-	0.00%	0.00%	25,660.92	23.33%	23.62%
May	-	-	-	-	-	-	0.00%	0.00%	83,441.77	76.38%	100.00%
June	-	-	-	-	-	-	0.00%	0.00%	360.04	0.00%	100.00%
July	-	-	-	-	-	-	0.00%	0.00%	323.24	0.00%	100.00%
August	-	-	-	-	-	-	0.00%	0.00%	391.51	0.00%	100.00%
September	-	-	-	-	-	-	0.00%	0.00%	306.51	0.00%	100.00%
October	-	-	-	-	-	-	0.00%	0.00%	278.94	0.00%	100.00%
November	-	-	-	-	-	-	0.00%	0.00%	274.89	0.00%	100.00%
December	-	-	-	-	-	-	0.00%	0.00%	326.09	0.00%	100.00%
	\$ -	\$ -	\$ 348.24	\$ -	\$ -	\$ 348.24	0.00%	0.00%	\$ 112,660.40	100.00%	100.00%

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
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Property Tax

General Fund 43.500 mills \$ 112,268.00 100.00% \$ - 0.00%

Specific Ownership Tax

General Fund 3% \$ 3,370.00 100.00% \$ 348.24 10.33%

Treasurer's Fees

General Fund 5% \$ 5,613.00 100.00% \$ - 0.00%

Base Village Metropolitan District No. 2
Schedule of Cash Position
December 31, 2016
Updated as of February 16, 2017

	General Fund	Debt Service Fund	Total
<u>CSAFE</u>			
Balance as of 12/31/16	\$ 4,735.93	\$ 29,418.73	\$ 34,154.66
Subsequent activities:			
01/10/17 - Pitkin County #2	631.67	3,947.48	4,579.15
01/20/17 - Deposit from closing of US Bank trust accounts	-	16,747.64	16,747.64
01/31/17 - Interest income	25.34	-	25.34
02/10/17 - Pitkin County #2	2,552.22	15,942.96	18,495.18
<i>Anticipated transfer to BV #1</i>	(7,919.82)	-	(7,919.82)
<i>Anticipated Balance</i>	25.34	66,056.81	66,082.15
<u>UMB Bank 2016A Bond Fund (Acct #145568.2)</u>			
Balance as of 12/31/16	\$ -	\$ -	\$ -
Subsequent activities:			
<i>Anticipated transfer from BV #1</i>	-	5,150.00	5,150.00
<i>Anticipated Balance</i>	-	5,150.00	5,150.00
<u>UMB Bank 2016A Reserve Fund (Acct #145568.3)</u>			
Balance as of 12/31/16	\$ -	\$ 654,168.23	\$ 654,168.23
Subsequent activities:			
01/31/17 - Interest income	-	1.80	1.80
<i>Anticipated Balance</i>	-	654,170.03	654,170.03
<u>UMB Bank 2016A Surplus Fund (Acct #145568.4)</u>			
Balance as of 12/31/16	\$ -	\$ 2,000,000.00	\$ 2,000,000.00
01/31/17 - Interest income	-	5.50	5.50
<i>Anticipated Balance</i>	-	2,000,005.50	2,000,005.50
<u>UMB Bank 2016A COI Fund (Acct #145568.5)</u>			
Balance as of 12/31/16	\$ -	\$ 124,137.60	\$ 124,137.60
Subsequent activities:			
Cost of issuance payments	-	(116,500.00)	(116,500.00)
01/31/17 - Interest income	-	0.36	0.36
<i>Anticipated Balance</i>	-	7,637.60	7,637.60
<u>UMB Bank 2016A Supplemental Fund (Acct #145568.6)</u>			
Balance as of 12/31/16	\$ -	\$ 9,686,535.27	\$ 9,686,535.27
<i>Anticipated Balance</i>	-	9,686,535.27	9,686,535.27
<i>Total Anticipated Balance</i>	\$ 25.34	\$ 12,419,555.21	\$ 12,419,580.55

Yield information at 01/31/17

CSAFE - 0.75%

**BASE VILLAGE METROPOLITAN DISTRICT #2 (GF remitted to #1)
Property Taxes Reconciliation
2017**

	Current Year						Prior Year				
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
							Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 12,703.30	\$ 1,422.00	\$ 4,953.34	\$ 129.27	\$ (712.73)	\$ 18,495.18	0.88%	0.88%	\$ 11,502.28	0.44%	0.44%
February	-	-	-	-	-	-	0.00%	0.88%	141,407.18	8.93%	9.37%
March	-	-	-	-	-	-	0.00%	0.88%	234,908.84	15.09%	24.46%
April	-	-	-	-	-	-	0.00%	0.88%	227,598.31	14.65%	39.11%
May	-	-	-	-	-	-	0.00%	0.88%	652,092.48	42.39%	81.50%
June	-	-	-	-	-	-	0.00%	0.88%	220,939.58	14.12%	95.62%
July	-	-	-	-	-	-	0.00%	0.88%	18,200.27	0.88%	96.50%
August	-	-	-	-	-	-	0.00%	0.88%	34,617.78	1.85%	98.35%
September	-	-	-	-	-	-	0.00%	0.88%	18,450.11	0.88%	99.24%
October	-	-	-	-	-	-	0.00%	0.88%	5,869.96	0.12%	99.36%
November	-	-	-	-	-	-	0.00%	0.88%	9,807.71	0.36%	99.72%
December	-	-	-	-	-	-	0.00%	0.88%	4,579.15	0.00%	99.72%
Total	\$ 12,703.30	\$ 1,422.00	\$ 4,953.34	\$ 129.27	\$ (712.73)	\$ 18,495.18	0.88%	0.88%	\$ 1,579,973.65	99.72%	99.72%

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
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Property Tax

General Fund	6.000 mills	\$ 220,259.00	13.80%	\$ 1,949.29	0.88%
Debt Service Fund	37.500 mills	1,376,619.00	86.20%	12,176.01	0.88%
Total		\$ 1,596,878.00	100.00%	\$ 14,125.30	0.88%

Specific Ownership Tax

General Fund	3%	\$ 6,610.00	13.80%	\$ 683.40	10.34%
Debt Service Fund	3%	41,300.00	86.20%	4,269.94	10.34%
Total		\$ 47,910.00	100.00%	\$ 4,953.34	10.34%

Treasurer's Fees

General Fund	5%	\$ 11,013.00	13.79%	\$ 98.31	0.89%
Debt Service Fund	5%	68,831.00	86.21%	614.42	0.89%
Total		\$ 79,844.00	100.00%	\$ 712.73	0.89%

Base Village Metropolitan District No. 1**Check List**

All Bank Accounts

January 1, 2017 - December 31, 2017

Interim Checks

Check Number	Check Date	Payee	Amount
Vendor Checks			
2236	01/19/17	14 WEST	561.72
2237	01/19/17	ALSCO	1,319.18
2238	01/19/17	Alternative Elevations LLC	2,707.10
2239	01/19/17	Base Village Company, Inc.	9,732.32
2240	01/19/17	Capitol Peak Lodge Condominium Association, Inc.	10,666.67
2241	01/19/17	CenturyLink	169.44
2242	01/19/17	CliftonLarsonAllen LLP	12,038.99
2243	01/19/17	Comcast Cable	272.86
2244	01/19/17	Holy Cross Energy	2,544.55
2245	01/19/17	Mountain Pest Control, Inc.	65.00
2246	01/19/17	Pacific Sheet Metal, Inc.	950.00
2247	01/19/17	Security Install Solutions, Inc.	170.00
2248	01/19/17	Snowmass Hospitality LLC	38,079.30
2249	01/19/17	Stanley Access Tech LLC	1,174.36
2250	01/19/17	Thyssenkrupp Elevator Corp	14,319.20
2251	01/19/17	White, Bear, & Ankele	41,068.50
Vendor Check Total			<u>135,839.19</u>
Check List Total			<u><u>135,839.19</u></u>

Check count = 16



**Base Village Conference Center Report
Thursday, February 16, 2017**

Definite

2017-**Birmingham Ski Dinner**, 80 people, Ballrooms 1 and 2, February 23rd 6:30pm
2017-**MOAA**, Registration for 100+ people, Ballroom 2, February 26-28
2017- **Aspen World Cup**, 150 people, Ballroom, March 12-19th, All Meals
2017- **Prudential**, 25 people, Ballroom 1, March 27th, Meeting
2017- **Credit Suisse**, 40 people Hospitality Suite, Ballroom 2, March 29th
2017- **DU Dinner and Dance**, 150 people, Ballroom, April 8
2017- **FASEB**, All space, Summer June-August
2017- **AREDAY**, Meetings, 60 people

Tentative

2017-**Morris County Ski Club**, 42 people, Buttermilk Room, March 7th 5:30pm
2017- **Porsche Club**, 150 people, Ballroom, June 10, Dinner
2018- **Flatland Ski Association Welcome Reception**, 350ppl, all space, Jan. 25th

Prospects

2017- **Colorado Public Defenders**, All event space
2017- **Kellogg**, All event space, December



CONFERENCE CENTER REPORT
Wednesday, February 22, 2017

2016 December Year to Date Budget Report

Please see the attached budget report.

Base Village Metro District
Profit & Loss Budget vs. Actual
 January through December 2016

**Scope: \$850
& 15%**

	Jan - Dec 16	Budget	\$ Over Budget	% of Budget	
Ordinary Income/Expense					
Income					
Conference Center Income					
Rental Revenue	26,139.96	24,999.96	1,140.00	104.56%	
Total Conference Center Income	26,139.96	24,999.96	1,140.00	104.56%	
Total Income	26,139.96	24,999.96	1,140.00	104.56%	
Expense					
Conference Center Expense					
48800 · Management Fee	10,572.98	10,598.70	-25.72	99.76%	
48802 · Administrative Expenses	716.12	300.00	416.12	238.71%	
48805 · AlSCO Mats	858.24	841.51	16.73	101.99%	
48806 · Outside Services	0.00	2,400.00	-2,400.00	0.0%	1
48815 · Maintenance	9,541.55	8,975.00	566.55	106.31%	
48850 · BTU Central Plant	31,487.30	25,972.55	5,514.75	121.23%	2
48855 · Electric Utility	15,201.75	16,401.56	-1,199.81	92.69%	3
48857 · TV & Internet Utility	3,987.23	3,983.67	3.56	100.09%	
48865 · HOA Capitol Peak	39,513.23	39,513.63	-0.40	100.0%	
48885 · Maintenance Supplies	1,277.87	499.92	777.95	255.62%	
48920 · Security	5,957.00	6,552.00	-595.00	90.92%	
Total Conference Center Expense	119,113.27	116,038.54	3,074.73	102.65%	
Total Expense	119,113.27	116,038.54	3,074.73	102.65%	
Net Ordinary Income	-92,973.31	-91,038.58	-1,934.73	102.13%	
Net Income	-92,973.31	-91,038.58	-1,934.73	102.13%	

**Base Village Metro District
Conference Center
Variance Explanations
Scope: Over \$850 & 15%**

REF#	Descriptions
Expense	
1	48806 · Outside Services is (\$2,400) under budget due to no expenses hitting this line to date.
2	48850 · BTU Central Plant is \$5,515 over budget due to a timing variance from prior year invoices and a catch up from summer utility billings.
3	48855 · Electric Utility is (\$1,200) under budget due to a timing variance. One month's electric bill is still pending payment.

**Base Village Metro District
Conference Center
Proforma Actual by Month
January through December 2016**

	Actual Jan-16	Actual Feb-16	Actual Mar-16	Actual Apr-16	Actual May-16	Actual Jun-16	Actual Jul-16	Actual Aug-16	Actual Sep-16	Actual Oct-16	Actual Nov-16	Actual Dec-16	Annual Proforma Jan - Dec 16	Approved Budget Jan - Dec 16	Favorable (Unfavorable) Variance
Ordinary Income/Expense															
Income															
Rental Revenue	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	3,223	2,083	26,140	25,000	1,140
Total Income	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	3,223	2,083	26,140	25,000	1,140
Expense															
48800 - Management Fee	0	883	1,766	883	883	0	1,766	883	883	883	858	883	10,573	10,599	26
48802 - Administrative Expenses	0	0	391	0	55	0	219	0	0	51	0	0	716	300	(416)
48805 - Alisco Mats	0	214	73	121	49	0	104	88	0	0	0	210	858	842	(17)
48806 - Outside Services	0	0	0	0	0	0	0	0	0	0	0	0	0	2,400	2,400
48815 - Maintenance	0	334	1,068	245	317	0	770	909	335	3,031	166	2,367	9,542	8,975	(567)
48850 - BTU Central Plant	0	6,307	5,279	0	2,695	0	5,566	0	0	6,705	4,937	0	31,487	25,973	(5,515)
48855 - Electric Utility	0	3,079	1,501	0	1,167	0	2,722	1,875	1,583	1,374	851	1,050	15,202	16,402	1,200
48857 - TV & Internet Utility	0	567	155	295	293	0	586	651	592	293	283	273	3,987	3,984	(4)
48865 - HOA Capitol Peak	0	0	9,878	0	0	0	9,878	0	9,878	0	0	9,878	39,513	39,514	0
48885 - Maintenance Supplies	0	0	0	571	4	0	0	80	0	623	0	0	1,278	500	(778)
48920 - Security	0	558	1,080	558	485	0	504	630	504	504	504	630	5,957	6,552	595
Total Expense	0	11,941	21,192	2,673	5,947	0	22,116	5,116	13,776	13,464	7,598	15,291	119,113	116,039	(3,075)
Net Ordinary Income	2,083	(9,858)	(19,108)	(590)	(3,864)	2,083	(20,033)	(3,033)	(11,692)	(11,380)	(4,375)	(13,207)	(92,973)	(91,039)	(1,935)



SNOWMASS

HOSPITALITY

PARKING GARAGE MANAGER'S REPORT **Wednesday, February 22, 2017**

2016 December Year to Date Budget Report

Please see the attached budget report.

Parking System Update

SkiData is scheduled to be here on the 22nd to finish the cash drawer and training.

Garage Year To Date

Although we were slightly ahead of the 2015/2016 season at the end of January, a slow February has us currently \$12k below last season. We hope a busy President's Day weekend will help close that gap. The attached garage reports shows our numbers as of the end of January 2017.

1/31/17 Garage Managers Report

Income, including Parking and Ski Locker Pass Sales

Income Period	2015 - 2016	2016 - 2017	Trend, +/-
Nov - January	\$191,971.00	\$193,845.00	0.97%

Passes

Nov - January	2015 - 2016	2016 - 2017	Trend, +/-
Season Parking	\$950.00	\$950.00	
Punch	\$4,600.00	\$6,400.00	39.00%
Season Locker	\$700.00	\$1,200.00	71%
Season Parking/ Locker Combo			
Total Pass Sales	\$6,250.00	\$8,550.00	36.80%

Dates Garage 95% of Full Capacity, 2016-2017 Season

Date
2016 - 2017
12/19/2016
12/20/2016
12/21/2016
12/22/2016
12/23/2016
12/24/2016
12/25/2016
12/26/2016
12/27/2016
12/28/2016
12/29/2016
1/7/2017
1/14/2017
1/15/2017
1/21/2017
1/28/2017

Ticket Count Comparison, through 1/31/17

Season	Tickets Processed	Free	Paying Customers	Percent Free
2015- 2016	13,317	3,054	10,263	22.93%
2016 - 2017	12,600	2,600	10,427	17.24%

Base Village Metro District
Profit & Loss Budget vs. Actual
 January through December 2016

Scope: \$850
& 15%

	Jan - Dec 16	Budget	\$ Over Budget	% of Budget	REF #
Ordinary Income/Expense					
Income					
Parking Garage Income					
Parking Garage Fee Revenue	420,218.69	399,500.00	20,718.69	105.19%	
Total Parking Garage Income	<u>420,218.69</u>	<u>399,500.00</u>	<u>20,718.69</u>	<u>105.19%</u>	
Total Income	420,218.69	399,500.00	20,718.69	105.19%	
Expense					
Parking Garage Expense					
27491 · Credit Card Fees	8,172.90	8,972.48	-799.58	91.09%	1
27942 · Credit Card Charge Backs	0.00	0.00	0.00	0.0%	
27943 · Credit Card Process Compliance	960.00	0.00	960.00	100.0%	
28800 · Management Fee	47,463.00	47,694.15	-231.15	99.52%	
28802 · Administrative Expenses	101.00	550.00	-449.00	18.36%	
28803 · Electrical Contractor	0.00	500.00	-500.00	0.0%	
28820 · Advertising & Promo	0.00	900.00	-900.00	0.0%	
28865 · HOA Cam Fees	225,736.23	224,223.00	1,513.23	100.68%	
28870 · Equipment Other	1,733.49	2,000.00	-266.51	86.68%	
28875 · Contract Services	1,420.82	3,000.00	-1,579.18	47.36%	2
28880 · Garage Attendant Labor	139,920.50	120,575.00	19,345.50	116.04%	
Total Parking Garage Expense	<u>425,507.94</u>	<u>408,414.63</u>	<u>17,093.31</u>	<u>104.19%</u>	
Total Expense	425,507.94	408,414.63	17,093.31	104.19%	
Net Ordinary Income	-5,289.25	-8,914.63	3,625.38	59.33%	
Other Income/Expense					
Other Expense					
28900 · Parking Garage Parking System	0.00	100,000.00	-100,000.00	0.0%	3
Total Other Expense	<u>0.00</u>	<u>100,000.00</u>	<u>-100,000.00</u>	<u>0.0%</u>	
Net Other Income	0.00	-100,000.00	100,000.00	0.0%	
Net Income	<u>-5,289.25</u>	<u>-108,914.63</u>	<u>103,625.38</u>	<u>4.86%</u>	

**Base Village Metro District
Parking Garage
Variance Explanations
Scope: Over \$850 & 15%**

REF#	Descriptions
Expense	
1	27491 - Credit Card Fees are (\$2,794) under budget due timing variance of payment of Credit Card Fees.
2	28875 - Contract Services is (\$1,579) under budget due to less than anticipated services needed to date.
3	28900 - no cost hitting Parking Garage Parking System

**Base Village Metro District
Parking Garage
Proforma Actual by Month
January through December 2016**

	Actual Jan-16	Actual Feb-16	Actual Mar-16	Actual Apr-16	Actual May-16	Actual Jun-16	Actual Jul-16	Actual Aug-16	Actual Sep-16	Actual Oct-16	Actual Nov-16	Actual Dec-16	Annual Proforma Jan - Dec 16	Approved Budget Jan - Dec 16	Favorable (Unfavorable) Variance
Income															
Parking Garage Revenue	89,428	95,471	120,317	16,270	0	0	0	0	0	0	4,790	93,943	420,219	399,500	20,719
Total Income	89,428	95,471	120,317	16,270	0	0	0	0	0	0	4,790	93,943	420,219	399,500	20,719
Expense															
27491 · Credit Card Fees	1,571	1,740	2,301	437	39	91	0	0	0	94	0	1,900	8,172	8,972	801
27942 · Credit Card Charge Backs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27943 · Credit Card Processing Compliance	0	0	0	0	0	0	0	0	0	960	0	0	960	0	(960)
28800 · Management Fee	0	3,975	7,949	3,975	3,975	0	7,949	3,975	3,975	3,859	3,859	3,975	47,463	47,694	232
28802 · Administrative Expenses	0	0	0	0	9	0	0	0	92	0	0	0	101	550	449
28803 · Electrical Contractor	0	0	0	0	0	0	0	0	0	0	0	0	0	500	500
28820 · Advertising & Promo	0	0	0	0	0	0	0	0	0	0	0	0	0	900	900
28865 · HOA Cam Fees	0	56,056	0	56,056	0	0	0	56,056	0	0	57,569	0	225,736	224,223	(1,513)
28870 · Equipment Other	0	0	470	66	0	0	0	0	0	0	1,197	0	1,733	2,000	267
28875 · Contract Services	0	0	0	771	0	0	0	0	0	0	0	650	1,421	3,000	1,579
28880 · Garage Attendant Labor	0	28,084	54,480	24,238	10,618	0	0	0	0	0	0	22,501	139,921	120,575	(19,346)
Total Expense	1,571	89,854	65,200	85,541	14,641	91	7,949	60,030	4,066	4,912	62,625	29,026	425,506	408,415	(17,092)
Net Ordinary Income	87,857	5,617	55,117	(69,271)	(14,641)	(91)	(7,949)	(60,030)	(4,066)	(4,912)	(57,835)	64,917	(5,288)	(8,915)	3,627
Other Expense															
28900 · Parking Garage Parking System	0	621	0	(621)	0	0	0	0	0	0	0	0	0	100,000	100,000
Total Other Expense	0	621	0	(621)	0	0	0	0	0	0	0	0	0	100,000	100,000
Net Other Income	0	(621)	0	621	0	0	0	0	0	0	0	0	0	(100,000)	100,000
Net Income	87,857	4,996	55,117	(68,650)	(14,641)	(91)	(7,949)	(60,030)	(4,066)	(4,912)	(57,835)	64,917	(5,288)	(108,915)	103,627



TRANSIT CENTER REPORT
Wednesday, February 22, 2016

2016 December Budget Report

Please see the attached budget report.

Base Village Metro District
Profit & Loss Budget vs. Actual
 January through December 2016

Scope:
\$2,500 &
15%

	Jan - Dec 16	Budget	\$ Over Budget	% of Budget	REF #
Ordinary Income/Expense					
Income					
Transit Center Income					
Lockers	522.00	1,286.00	-764.00	40.59%	
Vending Machine	575.08	724.54	-149.46	79.37%	
Total Transit Center Income	1,097.08	2,010.54	-913.46	54.57%	
Total Income	1,097.08	2,010.54	-913.46	54.57%	
Expense					
Transit Center Expense					
18800 · Management Fee	15,859.46	15,898.05	-38.59	99.76%	
18802 · Administrative Expenses	215.46	550.00	-334.54	39.18%	
18805 · AlSCO Mats	3,332.01	1,690.38	1,641.63	197.12%	
18815 · Maintenance	21,563.98	19,604.00	1,959.98	110.0%	
18845 · Telephone	2,082.07	1,920.00	162.07	108.44%	
18855 · Electric Utility	9,807.67	9,279.53	528.14	105.69%	
18870 · Outside Service (Fire ext.etc.)	0.00	1,350.00	-1,350.00	0.0%	
18885 · Maintenance Supplies	7,147.67	1,200.00	5,947.67	595.64%	
18890 · Cleaning Supplies	6,292.42	10,500.00	-4,207.58	59.93%	1
18900 · Elevator/Escalator	33,610.98	31,556.00	2,054.98	106.51%	2
18905 · Site Furnishings	0.00	500.00	-500.00	0.0%	
18920 · Security	7,545.00	6,552.00	993.00	115.16%	
18930 · Central Plant Utilities	8,306.64	9,132.86	-826.22	90.95%	
18940 · Natural Gas	4,290.59	11,203.50	-6,912.91	38.3%	3
18950 · Water & Sanitation	2,292.59	2,345.66	-53.07	97.74%	
18970 · Doors	0.00	2,500.00	-2,500.00	0.0%	
18975 · Transit Lane Cleaning	17,859.50	18,793.75	-934.25	95.03%	
18980 · Housekeeping	42,060.01	38,017.50	4,042.51	110.63%	
18990 · Traffic Control Officer	12,929.35	10,584.00	2,345.35	122.16%	
18991 · Traffic Control Officer Training	0.00	1,500.00	-1,500.00	0.0%	
Total Transit Center Expense	195,195.40	194,677.23	518.17	100.27%	
Total Expense	195,195.40	194,677.23	518.17	100.27%	
Net Ordinary Income	-194,098.32	-192,666.69	-1,431.63	100.74%	
Net Income	-194,098.32	-192,666.69	-1,431.63	100.74%	

**Base Village Metro District
Transit Center
Variance Explanations
Scope: Over \$2,500 & 15%**

REF#	Descriptions
1	18890 - Cleaning Supplies is (\$4,208) under budget due to a timing variance. Some larger supply orders were made in 2015, which left us over budget at fiscal year end in 2015.
2	18900 - Elevator/Escalator is (\$3,934) under budget due to fewer than budgeted repair throughout 2016
3	18940 - Natural Gas is (\$6,913) under budget partially due to a timing variance and partially due to lower than anticipated natural gas costs this fiscal year.

**Base Village Metro District
Transit Center
Proforma Actual by Month
January through December 2016**

	Actual Jan-16	Actual Feb-16	Actual Mar-16	Actual Apr-16	Actual May-16	Actual Jun-16	Actual Jul-16	Actual Aug-16	Actual Sep-16	Actual Oct-16	Actual Nov-16	Actual Dec-16	Annual Proforma Jan - Dec 16	Approved Budget Jan - Dec 16	Favorable (Unfavorable) Variance
Ordinary Income/Expense															
Income															
Lockers	178	137	43	164	0	0	0	0	0	0	0	0	522	1,286	(764)
Vending Machine	42	73	115	98	0	42	0	90	47	36	31	0	575	725	(149)
Total Income	220	210	158	262	0	42	0	90	47	36	31	0	1,097	2,011	(913)
Expense															
18800 - Management Fee	0	1,325	2,650	1,325	1,325	0	2,650	1,325	1,325	1,325	1,286	1,325	15,859	15,898	39
18802 - Administrative Expenses	0	0	0	0	9	0	110	0	92	5	0	0	216	550	334
18805 - AlSCO Mats	0	123	1,130	0	1,055	0	27	139	176	0	318	364	3,332	1,690	(1,642)
18815 - Maintenance	0	2,005	5,667	3,129	1,494	0	1,982	1,602	1,278	1,458	1,104	1,845	21,564	19,604	(1,960)
18845 - Telephone	0	324	0	162	167	0	335	172	346	238	168	170	2,082	1,920	(162)
18855 - Electric Utility	0	129	0	5,586	681	0	0	672	726	599	606	809	9,808	9,280	(528)
18870 - Outside Service (Fire ext. etc.)	0	0	0	0	0	0	0	0	0	0	0	0	0	1,350	1,350
18885 - Maintenance Supplies	0	0	4,512	85	664	0	1,417	153	47	18	252	0	7,148	1,200	(5,948)
18890 - Cleaning Supplies	0	0	699	833	0	0	3,593	150	467	484	66	0	6,293	10,500	4,207
18900 - Elevator/Escalator	0	5,118	10,175	0	0	0	5,989	0	5,989	0	350	5,989	33,611	31,556	(2,055)
18905 - Site Furnishings	0	0	0	0	0	0	0	0	0	0	0	0	0	500	500
18920 - Security	0	1,516	1,080	558	485	0	1,134	630	504	504	504	630	7,545	6,552	(993)
18930 - Central Plant Utilities	0	1,562	1,454	0	792	0	0	0	2,565	1,018	917	0	8,307	9,133	826
18940 - Natural Gas	0	266	709	1,363	0	0	740	0	110	109	219	774	4,291	11,204	6,913
18950 - Water & Sanitation	0	0	570	570	0	0	1,672	14	(1,102)	0	570	0	2,293	2,346	53
18970 - Doors	0	0	0	0	0	0	0	0	0	0	0	0	0	2,500	2,500
18975 - Transit Lane Cleaning	0	1,920	4,793	2,065	1,666	0	2,060	1,300	1,040	1,040	840	1,136	17,860	18,794	934
18980 - Housekeeping	0	5,467	9,266	4,200	6,015	0	3,803	2,708	2,693	2,730	1,118	4,063	42,060	38,018	(4,043)
18990 - Traffic Control Officer	0	2,181	5,832	2,880	0	0	36	0	0	0	0	2,000	12,929	10,584	(2,345)
18991 - Traffic Control Officer Training	0	0	0	0	0	0	0	0	0	0	0	0	0	1,500	1,500
Total Expense	0	21,936	48,537	22,756	14,353	0	25,546	8,865	16,254	9,528	8,317	19,105	195,196	194,677	(519)
Net Ordinary Income	220	(21,725)	(48,379)	(22,493)	(14,353)	42	(25,546)	(8,775)	(16,207)	(9,491)	(8,286)	(19,105)	(194,099)	(192,667)	(1,432)

**JOINT RESOLUTION
OF THE BOARDS OF DIRECTORS OF THE
BASE VILLAGE METROPOLITAN DISTRICT NOS. 1-2**

DESIGNATING THE DISTRICTS' 24-HOUR POSTING LOCATIONS

WHEREAS, the Base Village Metropolitan District Nos. 1-2 (each, the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to § 24-6-402(1)(a), C.R.S., the District is a local public body and subject to the provisions of §§ 24-6-401, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 32-1-903(2), C.R.S., notice of the time and place for meetings of the Board of Directors of the District (the "Board") is required to be posted in three (3) public locations within the boundaries of the District at least seventy-two (72) hours before any regular or special meeting; and

WHEREAS, § 24-6-402(2)(c), C.R.S., provides that, in addition to any other means of full and timely notice, a local public body shall be deemed to have given full and timely notice if the notice of the meeting is posted in a designated public place within the boundaries of the local public body no less than twenty-four (24) hours prior to the holding of the meeting; and

WHEREAS, pursuant to § 24-6-402(2)(c), C.R.S., the public place or places for posting such notice shall be designated annually at the local public body's first regular meeting of each calendar year; and

WHEREAS, the Board has determined to designate one of the three posting locations used for meeting notices in satisfaction of § 32-1-903(2), C.R.S. as its designated posting location for notices under § 24-6-402(2)(c), C.R.S.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. Pursuant to § 24-6-402(2)(c), C.R.S., the Board hereby designates the following location for the posting of its twenty-four (24) hour meeting notices:

District No. 1: Snowmass Hospitality Lobby Building C

District No. 2: The Hayden Lodge Lobby in Building 1

ADOPTED this 22nd day of February, 2017.

BASE VILLAGE METROPOLITAN DISTRICT
NOS. 1-2

Officer of the Districts

ATTEST:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the Districts

[Signature Page to Resolution Designating the 24-Hour Posting Location.]

CLIFTONLARSONALLEN MUNICIPAL ADVISORS, LLC

February 17, 2017

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

This Agreement to Provide Municipal Advisory Services ("Agreement") is between Base Village Metropolitan District No. 2 ("Client" or "you") and CliftonLarsonAllen Municipal Advisors, LLC, a Minnesota Limited liability Company ("Advisor", "we" or "us").

The Advisor and Client agree as follows:

1. **Advisor is Registered with SEC and MSRB:** The Advisor has registered as a municipal advisor with the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). Rule G-42 of the MSRB sets forth the standards of conduct that a municipal advisor owes to its clients, including duties of care and loyalty. It also governs matters such as conflicts of interest, the documentation of advisory relationships, and the required basis for making advisory recommendations. The Client should discuss any advice given and any information and material contained in deliverables, if any, with any internal or external advisors and experts that the Client deems appropriate before acting on such advice and any information or material. The Advisor is not a guarantor of a successful financing or a guarantor that there are no facts material to a Client's decision-making process other than the ones known by the Advisor and disclosed to the Client.

The Advisor's engagement hereunder will be subject to the limitations set forth in this Agreement, including in Section 2, below, and as otherwise requested or expressly consented to by Client.

2. **Scope of Work and Limitations:** To assist the Board and direct the investment of the 2016 bond proceeds.
3. **Advisor's Engagement Team:** Kevin Collins will be the relationship principal responsible for the municipal advisor services to be provided to the Client. He will be assisted on this engagement by Sarah Hunsche.
4. **Compensation:** The Advisor will charge for work based upon the time incurred at hourly standard rates plus out of pocket expenses. Bills for services are due when submitted. If a bill is not paid within 30 days from its date, the Client agrees that the unpaid balance will draw interest at the monthly rate of 1.5%, or an annual rate of 18%. In the event that collection action is required, the Advisor is entitled to collect reasonable attorney's fees. Further, the Advisor reserves the right to cease work and withdraw from the engagement if bills are not paid. The hourly rates currently in effect for the Advisor's services are as follows:

Principal/Chief Financial Officer	\$230 - \$375
Controller	\$160 - \$200
Senior	\$130 - \$150
Staff	\$ 90 - \$120
Accounts Payable Specialist	\$ 75 - \$ 85
Administrative support	\$ 70 - \$100

5. **Client Information:** The Advisor will rely on the financial and other information that the Client provides from time to time. The Client agrees to inform the Advisor in writing of any material change in such information or in the Client's circumstances that might affect the manner in which the Advisor may provide municipal advisory services to the Client. The Client agrees to provide to the Advisor such additional information the Advisor reasonably requires in order to:
- (a) effectively service the municipal advisory relationship with the Client;
 - (b) act in accordance with any special directions from the Client;
 - (c) understand the authority of each person acting on behalf of the Client; and
 - (d) comply with applicable laws, regulations and rules.
6. **Confidential Information:** All information furnished by the Client to the Advisor under this Agreement will be confidential and will not be disclosed to any unaffiliated third party, except (a) as permitted or required by law, (b) where it is necessary to provide municipal advisory services to the Client, or (c) where the Client requests or authorizes the Advisor to do so. The Client authorizes the Advisor to consult with, obtain information from and transmit information to its affiliates, and to such third parties as the Advisor deems necessary to provide municipal advisory services to the Client, including, but not limited to, banks, insurance agents, sub-advisors, underwriters, financial advisors, accountants, and attorneys.
7. **Conflicts of Interest:** The MSRB requires us, as your municipal advisor, to provide full and fair written disclosure to you about all material conflicts of interest arising in connection with the provision of our municipal advisory services. A copy of this disclosure is included with this letter (see *Disclosure of Conflicts of Interest with Various Forms of Compensation* immediately preceding the *Agreement Acceptance Page*).

In particular, CliftonLarsonAllen, LLP, an entity related to the Advisor, provides accounting and management services to the Client under a separate engagement letter. These additional services for compensation represent conflicts of interest under the rules of the MSRB.

During the course of the CliftonLarsonAllen, LLP's routine accounting and management engagement, advice may be provided to the Client related to a specific transaction which may be defined by MSRB and SEC as services requiring the advice of a registered municipal advisor. In such circumstances, the Advisor will provide such advice under this Agreement.

The undersigned hereby acknowledges that he/she has received this disclosure and that he/she has been given the opportunity to raise questions and discuss the foregoing.

8. **Disclosure Filings:** MSRB rules require us to indicate where you may obtain information about certain legal or disciplinary events. The Advisor files Forms MA and MA-I with the SEC, which include information about criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation relating to the Advisor, its management and advisory personnel. No such covered events have occurred through the date of this Agreement. We periodically update these filings, and you may consult them at this weblink:

<https://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001619577&owner=include&count=40&hidefilings=0>

9. **Service to Other Clients:** The Client acknowledges that the Advisor performs municipal advisory services for various other clients. The Client agrees that the Advisor may give advice or take action with respect to any of its other clients, which may differ from advice given, or the timing or nature of action taken, with respect to this engagement.
10. **Limitations on Liability:** Except for bad faith, intentional misconduct, or negligence in regard to the Advisor's performance of its duties under this Agreement, neither the Advisor nor any of its principals, managers, directors employees, or agents will be liable for any acts or omissions or for any loss suffered by the Client. The Advisor and its principals, managers, directors, employees, and agents will be entitled to rely, and will be protected from liability in relying upon any information or instructions furnished to it (or any of them as individuals) which is believed in good faith to be accurate and reliable.
11. **Amendment:** The Advisor or the Client may amend this Agreement upon written notification to the other. Unless one party notifies the amending party to the contrary, in writing, the amendment shall become effective upon approval of both parties. The Advisor may also amend or supplement this Agreement as required by law, such as to reflect any material changes or additions to the information it is required to provide to Client.
12. **Termination:** This Agreement shall continue in effect until the scope of work is completed or the agreement is terminated by either party upon 30 days' written notice to the other party.
13. **Governing Law:** This Agreement will be governed by, and construed and enforced in accordance with, the laws of the State of Colorado, without regard to its conflicts of law rules.
14. **Unlawful Employees and Sub-Advisor:** The Advisor will not knowingly employ or contract with an illegal alien to perform work under this Agreement. The Advisor shall not knowingly contract with a sub-advisor that (a) knowingly employs or contracts with an illegal alien to perform work under this Agreement, and (b) fails to certify to the Advisor that the sub-advisor will not knowingly employ or contract with an illegal alien to perform work under this Agreement. [C.R.S. 8-17.5-102(2)(a)(I) and (II)]
15. **Entire Agreement:** This Agreement, including the *Disclosure of Conflicts of Interest with Various Forms of Compensation* and the *Agreement Acceptance Page*, constitutes the entire Agreement between the Advisor and the Client concerning the matters herein, and supersedes all prior agreements, understanding and discussions among the parties, whether oral or written.

DISCLOSURE OF CONFLICTS OF INTEREST WITH VARIOUS FORMS OF COMPENSATION

The MSRB requires us, as your municipal advisor, to provide full and fair written disclosure to you about all material conflicts of interest arising in connection with the provision of our municipal advisory services. This disclosure must be sufficiently detailed to inform you of the nature, implications and potential consequences of each conflict and must include an explanation of how the municipal advisor addresses, or intends to manage or mitigate, each conflict.

(A) Does any affiliate of the Advisor provide any advice, service, or product to or on behalf of the Client that is directly related to the municipal advisory activities to be performed by the Advisor?

Yes. CliftonLarsonAllen, LLP, an entity related to the Advisor ("CLA"), provides accounting and management services to the Client under a separate engagement letter. During the course of the CLA's routine accounting and management engagement, advice may be provided to the Client related to a specific transaction which may be defined by the MSRB or the SEC as services requiring the advice of a registered municipal advisor. In such circumstances, it is the Advisor, and not CLA, that provide such advice under this Agreement.

As a result of this conflict, the Advisor has a financial incentive to provide advice to the Client which may result in the provision of additional accounting or management services by CLA. If the Advisor is making a recommendation involving the choice of an accounting or management service provider, it has an incentive to recommend CLA or evaluate CLA favorably, as the Advisor's affiliate.

The Advisor does not anticipate receiving any direct or indirect compensation from its affiliates or any other party for the Advisor's services provided under this Agreement. However, the Advisor has an expense-sharing arrangement with CLA, where common expenses of CLA and the Advisor are allocated to each of them pro rata on an equitable basis.

The Advisor will not enter into (1) any fee-splitting arrangement with any underwriter on any municipal securities transaction as to which the Advisor has provided or is providing advice, or (2) any undisclosed fee-splitting arrangement with providers of investments or services to a municipal entity or obligated person client of the Advisor.

In order to manage and mitigate the foregoing conflicts, the Advisor has adopted procedures requiring its personnel to consider these conflicts prior to furnishing related advice to clients, and to place the Client's interests first before considering the interests of CLA or the Advisor.

(B) Are there any other actual or potential conflicts of interest, of which the Advisor is aware after reasonable inquiry, which could reasonably be anticipated to impair the Advisor's ability to provide advice to or on behalf of the Client in accordance with the standards of conduct applicable to registered municipal advisors?

Yes. The form of the Advisor's compensation in the form of an hourly fee raises a potential conflict of interest. Under an hourly fee form of compensation, the municipal advisor is paid an amount equal to the number of hours worked by the advisor times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if the client and the advisor do not agree on a reasonable maximum amount at the outset of the engagement, because the advisor does not have a financial incentive to recommend alternatives that would result in fewer hours worked. The Advisor does not currently envision charging services on a fixed-fee, retainer or contingency basis. However, if it did so, these arrangements would raise other conflicts of interest.


In order to mitigate the potential for a conflict of interest raised by its hourly-rate compensation, the Advisor has a policy requiring its personnel to perform work requested by clients on a basis which is as efficient as reasonably practicable under the circumstances consistent with client objectives and the applicable standard of care.

* * *

AGREEMENT ACCEPTANCE PAGE

By signing this Agreement Acceptance Page, the parties below agree to be bound by the terms and conditions of this Agreement.

CliftonLarsonAllen Municipal Advisors, LLC

By:  , Principal

Date: February 17, 2017

Base Village Metropolitan District No. 2

By: _____

Date: _____

Title: _____