

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, 2017 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.

The District No. 1 Board discussed the appointment of two residential owners to the Board. Mr. Gunion will review further.

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 22nd day of February, 2017.