

**BASE VILLAGE METROPOLITAN DISTRICT NOS. 1 & 2**  
JOINT REGULAR (or SPECIAL) MEETING  
Wednesday, January 25, 2017 at 1:00 PM  
Capitol Peak Conference Center  
110 Carriage Way  
Snowmass Village, Colorado

Matt Foley, President  
Term to May, 2020

Craig Monzio, Assistant Secretary  
Term to May, 2018

Steve Sewell, Secretary  
Term to May, 2020

Jim D'Agostino, Assistant Secretary  
Term to May, 2020

Leticia Hanke, Treasurer  
Term to May, 2018

AGENDA

1. Call to Order
2. Declaration of Quorum
3. Director Conflict of Interest Disclosures
4. Approval of Agenda
5. Approval of Minutes
  - a. November 28, 2016 Special Meeting (*to be distributed*)
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. Management (*enclosure*)
  - a. Conference Center Report
  - b. Parking Garage Report
  - c. Transit Center Report
8. Financial Matters
  - a. Payables/Financial Statements (*enclosure*)
  - b. Cash Addendum to the CliftonLarsonAllen Agreement (*enclosure*)
  - c. Refinancing Update (*enclosure*)
    - i. Discuss Property Owner Mailing for Post-Closing Financing Summary
9. Legal
  - a. Consider Approval of Resolution Designating 24 Hour Posting Location (*enclosure*)
  - b. Approve Rescission of Inclusion/Exclusion Resolutions
10. Other Business
  - a. Discuss Transition Plan
  - b. Resignation of Directors

**BASE VILLAGE METROPOLITAN DISTRICT NOS. 1 & 2**

**JOINT SPECIAL MEETING**

Page 2

11. Executive Session (if needed)

12. Adjourn

**Regular meetings are the fourth Wednesday of each month at 1:00 p.m.**

**The next meeting is Wednesday, February 22, 2017**



**Base Village Conference Center Report  
Wednesday, January 25, 2017**

Definite

2017- **Rocky Mountain Trauma**, 25 people, Highlands Room, January 13-15, Day Meetings

2017- **Sarasota Ski Club, Dinner**, 70 people, Ballroom 2 and 3, Jan. 19th

2017- **ACR Spinoff Dinner Meetings**, 70 people, Ballroom 2 and 3, Jan. 22, 23, 24

2017- **Aspen World Cup**, 150 people, Ballroom, March 12-19th, All Meals

2017- **FASEB**, All space, Summer June-August

Tentative

2017- **Porsche Club**, 150 people, Ballroom, June 10, Dinner

2017- **AREDAY**, Meetings, 60 people

Prospects

2018- **Flatland Ski Association Welcome Reception**, 350 ppl, all space, Jan. 25th

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



**CONFERENCE CENTER REPORT**  
**Wednesday, January 25, 2017**

**2016 November Year to Date Budget Report**

Please see the attached budget report.

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

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

	Jan - Nov 16	Budget	\$ Over Budget	% of Budget	REF #
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
<b>Conference Center Income</b>					
Rental Revenue	24,056.63	22,916.63	1,140.00	104.98%	
<b>Total Conference Center Income</b>	24,056.63	22,916.63	1,140.00	104.98%	
<b>Total Income</b>	24,056.63	22,916.63	1,140.00	104.98%	
<b>Expense</b>					
<b>Conference Center Expense</b>					
48800 · Management Fee	9,689.76	9,715.48	-25.72	99.74%	
48802 · Administrative Expenses	716.12	275.00	441.12	260.41%	4
48805 · AlSCO Mats	648.54	762.47	-113.93	85.06%	
48806 · Outside Services	0.00	2,200.00	-2,200.00	0.0%	1
48815 · Maintenance	7,175.00	8,115.00	-940.00	88.42%	
48850 · BTU Central Plant	31,487.30	24,395.77	7,091.53	129.07%	2
48855 · Electric Utility	14,151.31	15,447.69	-1,296.38	91.61%	3
48857 · TV & Internet Utility	3,714.37	3,677.05	37.32	101.02%	
48865 · HOA Capitol Peak	29,635.23	29,635.23	0.00	100.0%	
48885 · Maintenance Supplies	1,277.87	458.26	819.61	278.85%	5
48920 · Security	5,327.00	6,048.00	-721.00	88.08%	
<b>Total Conference Center Expense</b>	103,822.50	100,729.95	3,092.55	103.07%	
<b>Total Expense</b>	103,822.50	100,729.95	3,092.55	103.07%	
<b>Net Ordinary Income</b>	-79,765.87	-77,813.32	-1,952.55	102.51%	
<b>Net Income</b>	-79,765.87	-77,813.32	-1,952.55	102.51%	

**Base Village Metro District  
Conference Center  
Variance Explanations  
Scope: Over \$750 & 15%**

REF#	Descriptions
<b>Expense</b>	
1	48806 · Outside Services is (\$2,200) under budget due to no expenses hitting this line to date.
2	48850 · BTU Central Plant is \$7,092 over budget due to a timing variance from prior year invoices and a catch up from summer utility billings.
3	48855 · Electric Utility is (\$1,296) under budget due to a timing variance. One month's electric bill is still pending payment. This line is expected to come in line with budgeted figures as we move through the fiscal year.
4	48802 - Administrative Expenses are \$441 over budget due to additional Board meetings.
5	48885 - Maintenance Supplies are \$819 over budget due to unanticipated public restroom plumbing repairs and replacement of halogen light bulbs with LED's.

**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	Budget Dec-16	Annual Proforma Jan - Dec 16	Approved Budget Jan - Dec 16	Favorable (Unfavorable) Variance
<b>Ordinary Income/Expense</b>															
<b>Income</b>															
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
<b>Total Income</b>	<b>2,083</b>	<b>2,083</b>	<b>2,083</b>	<b>2,083</b>	<b>2,083</b>	<b>2,083</b>	<b>2,083</b>	<b>2,083</b>	<b>2,083</b>	<b>2,083</b>	<b>3,223</b>	<b>2,083</b>	<b>26,140</b>	<b>25,000</b>	<b>1,140</b>
<b>Expense</b>															
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	25	741	300	(441)
48805 - Alisco Mats	0	214	73	121	49	0	104	88	0	0	0	79	728	842	114
48806 - Outside Services	0	0	0	0	0	0	0	0	0	0	0	200	200	2,400	2,200
48815 - Maintenance	0	334	1,068	245	317	0	770	909	335	3,031	166	860	8,035	8,975	940
48850 - BTU Central Plant	0	6,307	5,279	0	2,695	0	5,566	0	0	6,705	4,937	1,577	33,064	25,973	(7,092)
48855 - Electric Utility	0	3,079	1,501	0	1,167	0	2,722	1,875	1,583	1,374	851	954	15,105	16,402	1,296
48857 - TV & Internet Utility	0	567	155	295	293	0	586	651	592	293	283	307	4,021	3,984	(37)
48865 - HOA Capitol Peak	0	0	9,878	0	0	0	9,878	0	9,878	0	0	9,878	39,514	39,514	0
48885 - Maintenance Supplies	0	0	0	571	4	0	0	80	0	623	0	42	1,320	500	(820)
48920 - Security	0	558	1,080	558	485	0	504	630	504	504	504	504	5,831	6,552	721
<b>Total Expense</b>	<b>0</b>	<b>11,941</b>	<b>21,192</b>	<b>2,673</b>	<b>5,947</b>	<b>0</b>	<b>22,116</b>	<b>5,116</b>	<b>13,776</b>	<b>13,464</b>	<b>7,598</b>	<b>15,309</b>	<b>119,131</b>	<b>116,039</b>	<b>(3,093)</b>
<b>Net Ordinary Income</b>	<b>2,083</b>	<b>(9,858)</b>	<b>(19,108)</b>	<b>(590)</b>	<b>(3,864)</b>	<b>2,083</b>	<b>(20,033)</b>	<b>(3,033)</b>	<b>(11,692)</b>	<b>(11,380)</b>	<b>(4,375)</b>	<b>(13,225)</b>	<b>(92,991)</b>	<b>(91,039)</b>	<b>(1,953)</b>



# **SNOWMASS**

---

## HOSPITALITY

### **PARKING GARAGE MANAGER'S REPORT** **Wednesday, January 25, 2017**

#### **2016 November Year to Date Budget Report**

Please see the attached budget report.

#### **Parking System Update**

The parking system has been installed and is operational. We are still waiting on the cash drawer to be installed which should be done in the next couple of weeks and for the new entrance gate, which has been ordered. In addition, there are six more training hours left for our garage manager.



## 12/31/16 Garage Managers Report

Income, including Parking and Ski Locker Pass Sales			
Income Period	2015 - 2016	2016 - 2017	Trend, +/-
Nov - December	\$102,331.00	\$99,240.00	-3.02%

### Passes

Nov - December	2015 - 2016	2016 - 2017	Trend, +/-
Season Parking	\$950.00	\$950.00	
Punch	\$4,200.00	\$4,200.00	
Season Locker	\$700.00	\$1,200.00	71.43%
Season Parking/ Locker Combo			
<b>Total Pass Sales</b>	<b>\$5,850.00</b>	<b>\$6,350.00</b>	<b>8.55%</b>

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

19-Dec
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

### Ticket Count Comparison, through 12/31/2016

Season	Tickets Processed	Free	Paying Customers	Percent Free
2015 - 2016	7,261	1,584	5,677	21.81%
2016 - 2017	6,725	1,397	5,210	26.81%
Trend, +/-; 2014-'16 vs 2015-'17	-7.37%	-11.21%	-8.23%	

**Base Village Metro District**  
**Profit & Loss Budget vs. Actual**  
 January through October 2015

Scope: \$850  
& 15%

	Jan - Nov 16	Budget	\$ Over Budget	% of Budget	REF #
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
<b>Parking Garage Income</b>					
Parking Garage Fee Revenue	326,275.96	319,030.00	7,245.96	102.27%	
<b>Total Parking Garage Income</b>	<b>326,275.96</b>	<b>319,030.00</b>	<b>7,245.96</b>	<b>102.27%</b>	
<b>Total Income</b>	<b>326,275.96</b>	<b>319,030.00</b>	<b>7,245.96</b>	<b>102.27%</b>	
<b>Expense</b>					
<b>Parking Garage Expense</b>					
27491 · Credit Card Fees	6,178.09	7,196.22	-1,018.13	85.85%	
27942 · Credit Card Charge Backs	0.00	0.00	0.00	0.0%	
27943 · Credit Card Process Compliance	0.00	0.00	0.00	0.0%	
28800 · Management Fee	43,603.86	43,719.63	-115.77	99.74%	
28802 · Administrative Expenses	105.79	504.16	-398.37	20.98%	
28803 · Electrical Contractor	0.00	500.00	-500.00	0.0%	
28820 · Advertising & Promo	0.00	825.00	-825.00	0.0%	
28865 · HOA Cam Fees	225,736.23	224,223.00	1,513.23	100.68%	1
28870 · Equipment Other	1,733.49	2,000.00	-266.51	86.68%	2
28875 · Contract Services	770.82	3,000.00	-2,229.18	25.69%	3
28880 · Garage Attendant Labor	117,419.50	97,608.34	19,811.16	120.3%	4
<b>Total Parking Garage Expense</b>	<b>395,547.78</b>	<b>379,576.35</b>	<b>15,971.43</b>	<b>104.21%</b>	
<b>Total Expense</b>	<b>395,547.78</b>	<b>379,576.35</b>	<b>15,971.43</b>	<b>104.21%</b>	
<b>Net Ordinary Income</b>	<b>-69,271.82</b>	<b>-60,546.35</b>	<b>-8,725.47</b>	<b>114.41%</b>	
<b>Other Income/Expense</b>					
<b>Other Expense</b>					
28900 · Parking Garage Parking System	0.00	100,000.00	-100,000.00	0.0%	5
<b>Total Other Expense</b>	<b>0.00</b>	<b>100,000.00</b>	<b>-100,000.00</b>	<b>0.0%</b>	
<b>Net Other Income</b>	<b>0.00</b>	<b>-100,000.00</b>	<b>100,000.00</b>	<b>0.0%</b>	
<b>Net Income</b>	<b>-69,271.82</b>	<b>-160,546.35</b>	<b>91,274.53</b>	<b>43.15%</b>	

**Base Village Metro District  
 Parking Garage  
 Variance Explanations  
 Scope: Over \$500 & 15%**

REF#	Descriptions
<b>Expense</b>	
1	28865 - HOA Cam Fees are 1,513.18 over budget due timing variance of payment of Garage assessments.
2	28870 - Equipment Other is (\$267) under budget due to less than anticipated supplies and part orders needed to date.
3	28875 - Contract Services is (\$2,229) under budget due to less than anticipated services needed to date.
4	28880 - Garage Attendant Labor is \$19,811 over budget mostly due to staff needed to operate what was supposed to be a self-service credit card station for guests this winter season.
5	28900 - Parking Garage Parking System is under budget due to timing variance. The system installation is not fully complete. Final payment will not be paid until all punch list items have been addressed.

**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	Budget Dec-16	Annual Proforma Jan - Dec 16	Approved Budget Jan - Dec 16	Favorable (Unfavorable) Variance
<b>Income</b>															
Parking Garage Revenue	89,428	95,471	120,317	16,270	0	0	0	0	0	0	4,790	80,470	406,746	399,500	7,246
<b>Total Income</b>	<b>89,428</b>	<b>95,471</b>	<b>120,317</b>	<b>16,270</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,790</b>	<b>80,470</b>	<b>406,746</b>	<b>399,500</b>	<b>7,246</b>
<b>Expense</b>															
27491 · Credit Card Fees	1,571	1,740	2,301	437	39	91	0	0	0	94	0	1,776	8,048	8,972	924
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	46	147	550	403
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	75	75	900	825
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	0	771	3,000	2,229
28880 · Garage Attendant Labor	0	28,084	54,480	24,238	10,618	0	0	0	0	0	0	22,967	140,386	120,575	(19,811)
<b>Total Expense</b>	<b>1,571</b>	<b>89,854</b>	<b>65,200</b>	<b>85,541</b>	<b>14,641</b>	<b>91</b>	<b>7,949</b>	<b>60,030</b>	<b>4,066</b>	<b>4,912</b>	<b>62,625</b>	<b>28,838</b>	<b>425,319</b>	<b>408,415</b>	<b>(16,905)</b>
<b>Net Ordinary Income</b>	<b>87,857</b>	<b>5,617</b>	<b>55,117</b>	<b>(69,271)</b>	<b>(14,641)</b>	<b>(91)</b>	<b>(7,949)</b>	<b>(60,030)</b>	<b>(4,066)</b>	<b>(4,912)</b>	<b>(57,835)</b>	<b>51,632</b>	<b>(18,573)</b>	<b>(8,915)</b>	<b>(9,659)</b>
<b>Other Expense</b>															
28900 · Parking Garage Parking System	0	621	0	(621)	0	0	0	0	0	0	0	0	0	100,000	100,000
<b>Total Other Expense</b>	<b>0</b>	<b>621</b>	<b>0</b>	<b>(621)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,000</b>	<b>100,000</b>
<b>Net Other Income</b>	<b>0</b>	<b>(621)</b>	<b>0</b>	<b>621</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(100,000)</b>	<b>100,000</b>
<b>Net Income</b>	<b>87,857</b>	<b>4,996</b>	<b>55,117</b>	<b>(68,650)</b>	<b>(14,641)</b>	<b>(91)</b>	<b>(7,949)</b>	<b>(60,030)</b>	<b>(4,066)</b>	<b>(4,912)</b>	<b>(57,835)</b>	<b>51,632</b>	<b>(18,573)</b>	<b>(108,915)</b>	<b>90,341</b>



**TRANSIT CENTER REPORT**  
**Wednesday, January 25, 2016**

**2016 November Budget Report**

Please see the attached budget report.

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

**Scope:**  
**\$2,500 &**  
**15%**

	Jan - Nov 16	Budget	\$ Over Budget	% of Budget	REF #
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
<b>Transit Center Income</b>					
Lockers	522.00	1,201.00	-679.00	43.46%	
Vending Machine	575.08	624.54	-49.46	92.08%	
<b>Total Transit Center Income</b>	<b>1,097.08</b>	<b>1,825.54</b>	<b>-728.46</b>	<b>60.1%</b>	
<b>Total Income</b>	<b>1,097.08</b>	<b>1,825.54</b>	<b>-728.46</b>	<b>60.1%</b>	
<b>Expense</b>					
<b>Transit Center Expense</b>					
18800 · Management Fee	14,534.63	14,573.22	-38.59	99.74%	
18802 · Administrative Expenses	215.46	504.16	-288.70	42.74%	
18805 · AlSCO Mats	2,968.38	1,444.95	1,523.43	205.43%	8
18815 · Maintenance	19,718.98	18,096.00	1,622.98	108.97%	1
18845 · Telephone	1,911.95	1,760.00	151.95	108.63%	
18855 · Electric Utility	8,998.25	8,306.41	691.84	108.33%	
18870 · Outside Service (Fire ext.etc.)	0.00	1,350.00	-1,350.00	0.0%	
18885 · Maintenance Supplies	7,147.67	1,100.00	6,047.67	649.79%	2
18890 · Cleaning Supplies	6,292.42	10,000.00	-3,707.58	62.92%	3
18900 · Elevator/Escalator	27,621.98	25,567.00	2,054.98	108.04%	4
18905 · Site Furnishings	0.00	500.00	-500.00	0.0%	
18920 · Security	6,915.00	6,048.00	867.00	114.34%	
18930 · Central Plant Utilities	8,306.64	8,272.16	34.48	100.42%	
18940 · Natural Gas	3,516.17	8,951.22	-5,435.05	39.28%	5
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	16,723.50	16,618.75	104.75	100.63%	
18980 · Housekeeping	37,997.51	33,637.50	4,360.01	112.96%	6
18990 · Traffic Control Officer	10,929.35	8,568.00	2,361.35	127.56%	7
18991 · Traffic Control Officer Training	0.00	1,500.00	-1,500.00	0.0%	
<b>Total Transit Center Expense</b>	<b>176,090.48</b>	<b>171,643.03</b>	<b>4,447.45</b>	<b>102.59%</b>	
<b>Total Expense</b>	<b>176,090.48</b>	<b>171,643.03</b>	<b>4,447.45</b>	<b>102.59%</b>	
<b>Net Ordinary Income</b>	<b>-174,993.40</b>	<b>-169,817.49</b>	<b>-5,175.91</b>	<b>103.05%</b>	
<b>Net Income</b>	<b>-174,993.40</b>	<b>-169,817.49</b>	<b>-5,175.91</b>	<b>103.05%</b>	

**Base Village Metro District  
Transit Center  
Variance Explanations  
Scope: Over \$2,000 & 15%**

REF#	Descriptions
<b>Expense</b>	
1	18815 · Maintenance is \$1,623 over budget due to unanticipated plumbing and drywall damage repair.
2	18885 · Maintenance Supplies is \$6,048 over budget partially due to supplies ordered for unanticipated plumbing and drywall damage repair. This line item is over budget mostly due to the failure of existing ballasted lighting fixtures. Rather than purchasing the needed ballast and specialty bulbs, Management replaced lighting on the plaza level with LED lighting and fixtures.
3	18890 · Cleaning Supplies is (\$3,708) 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.
4	18900 - Elevator/Escalator is \$2,055 over budget due to a large repair undertaken in March of this year.
5	18940 · Natural Gas is (\$5,435) under budget partially due to a timing variance and partially due to lower than anticipated natural gas costs this fiscal year.
6	18980 · Housekeeping is \$4,360 over budget partially due to a timing variance and partially due to unbudgeted off season common area deep cleans. Work orders from Dec-April are being compared to a Jan-May budget. These deep cleans were necessitated by the extensive amount of maintenance work that had to be done. It was also determined that the upper reaches above the escalators and the rafters on the upper level needed to be cleaned, which required some assistance from the Maintenance Department.
7	18990 · Traffic Control Officer is \$2,361 over budget due to the TOSV requirement that this service be provided 5 days per week during the ski season.
8	18805 - AlSCO Mats are over budget due to the addition of extra mats in slip and fall areas.

**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	Budget Dec-16	Annual Proforma Jan - Dec 16	Approved Budget Jan - Dec 16	Favorable (Unfavorable) Variance
<b>Ordinary Income/Expense</b>															
<b>Income</b>															
Lockers	178	137	43	164	0	0	0	0	0	0	0	85	607	1,286	(679)
Vending Machine	42	73	115	98	0	42	0	90	47	36	31	100	675	725	(49)
<b>Total Income</b>	<b>220</b>	<b>210</b>	<b>158</b>	<b>262</b>	<b>0</b>	<b>42</b>	<b>0</b>	<b>90</b>	<b>47</b>	<b>36</b>	<b>31</b>	<b>185</b>	<b>1,282</b>	<b>2,011</b>	<b>(728)</b>
<b>Expense</b>															
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	46	262	550	288
18805 - AlSCO Mats	0	123	1,130	0	1,055	0	27	139	176	0	318	245	3,214	1,690	(1,523)
18815 - Maintenance	0	2,005	5,667	3,129	1,494	0	1,982	1,602	1,278	1,458	1,104	1,508	21,227	19,604	(1,623)
18845 - Telephone	0	324	0	162	167	0	335	172	346	238	168	160	2,072	1,920	(152)
18855 - Electric Utility	0	129	0	5,586	681	0	0	672	726	599	606	973	9,971	9,280	(692)
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	100	7,248	1,200	(6,048)
18890 - Cleaning Supplies	0	0	699	833	0	0	3,593	150	467	484	66	500	6,793	10,500	3,707
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	504	7,419	6,552	(867)
18930 - Central Plant Utilities	0	1,562	1,454	0	792	0	0	0	2,565	1,018	917	861	9,167	9,133	(34)
18940 - Natural Gas	0	266	709	1,363	0	0	740	0	110	109	219	2,252	5,768	11,204	5,435
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	2,175	18,899	18,794	(105)
18980 - Housekeeping	0	5,467	9,266	4,200	6,015	0	3,803	2,708	2,693	2,730	1,118	4,380	42,378	38,018	(4,360)
18990 - Traffic Control Officer	0	2,181	5,832	2,880	0	0	36	0	0	0	0	2,016	12,945	10,584	(2,361)
18991 - Traffic Control Officer Training	0	0	0	0	0	0	0	0	0	0	0	0	0	1,500	1,500
<b>Total Expense</b>	<b>0</b>	<b>21,936</b>	<b>48,537</b>	<b>22,756</b>	<b>14,353</b>	<b>0</b>	<b>25,546</b>	<b>8,865</b>	<b>16,254</b>	<b>9,528</b>	<b>8,317</b>	<b>23,034</b>	<b>199,125</b>	<b>194,677</b>	<b>(4,448)</b>
<b>Net Ordinary Income</b>	<b>220</b>	<b>(21,725)</b>	<b>(48,379)</b>	<b>(22,493)</b>	<b>(14,353)</b>	<b>42</b>	<b>(25,546)</b>	<b>(8,775)</b>	<b>(16,207)</b>	<b>(9,491)</b>	<b>(8,286)</b>	<b>(22,849)</b>	<b>(197,843)</b>	<b>(192,667)</b>	<b>(5,177)</b>



**Base Village Metropolitan District No. 1**  
**Schedule of Cash Position**  
**December 31, 2016**  
**Updated as of January 19, 2017**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
<b><u>U.S. Bank Checking</u></b>			
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)
<i>Anticipated transfer to District #2 - fees</i>	(5,150.00)	-	(5,150.00)
<i>Anticipated transfer from Alpine</i>	150,000.00	-	150,000.00
<i>Anticipated transfer to CSAFE</i>	(7,277.34)	-	(7,277.34)
<i>Anticipated Balance</i>	<u>10,468.21</u>	<u>1,965.00</u>	<u>12,433.21</u>
<b><u>CSAFE</u></b>			
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
<i>Anticipated transfer from BV#2</i>	5,340.72	-	5,340.72
<i>Anticipated transfer from CSAFE</i>	7,277.34	-	7,277.34
<i>Anticipated Balance</i>	<u>-</u>	<u>56,950.86</u>	<u>56,950.86</u>
<b><u>Alpine Bank - on-site deposits</u></b>			
Balance as of 12/31/16	\$ 73,214.79	\$ -	\$ 73,214.79
<i>Anticipated January deposits</i>	80,000.00	-	80,000.00
<i>Anticipated transfer to US Bank</i>	(150,000.00)	-	(150,000.00)
<i>Anticipated Balance</i>	<u>3,214.79</u>	<u>-</u>	<u>3,214.79</u>
<i>Anticipated Balances</i>	<u>\$ 13,683.00</u>	<u>\$ 58,915.86</u>	<u>\$ 72,598.86</u>

**Yield information at 12/31/16**

CSAFE - 0.67%

**BASE VILLAGE METROPOLITAN DISTRICT #1**  
**Property Taxes Reconciliation**  
**2016**

	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	\$ -	\$ -	\$ 338.38	\$ -	\$ -	\$ 338.38	0.00%	0.00%	\$ 365.86	0.00%	0.00%
February	82.22	-	353.05	-	(4.11)	431.16	0.07%	0.07%	328.88	0.00%	0.00%
March	243.61	-	295.52	-	(12.18)	526.95	0.21%	0.28%	711.66	0.24%	0.24%
April	26,737.74	-	260.07	-	(1,336.89)	25,660.92	23.33%	23.62%	26,636.45	22.30%	22.54%
May	87,536.35	-	280.44	1.89	(4,376.91)	83,441.77	76.38%	100.00%	91,740.92	77.46%	100.00%
June	-	-	360.04	-	-	360.04	0.00%	100.00%	410.61	0.00%	100.00%
July	-	-	323.24	-	-	323.24	0.00%	100.00%	478.69	0.00%	100.00%
August	-	-	391.51	-	-	391.51	0.00%	100.00%	399.57	0.00%	100.00%
September	-	-	306.51	-	-	306.51	0.00%	100.00%	381.85	0.00%	100.00%
October	-	-	278.94	-	-	278.94	0.00%	100.00%	325.94	0.00%	100.00%
November	-	-	274.89	-	-	274.89	0.00%	100.00%	300.22	0.00%	100.00%
December	-	-	326.09	-	-	326.09	0.00%	100.00%	384.93	0.00%	100.00%
	\$ 114,599.92	\$ -	\$ 3,788.68	\$ 1.89	\$ (5,730.09)	\$ 112,660.40	100.00%	100.00%	\$ 122,465.58	100.00%	100.00%

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

**Property Tax**

General Fund 43.500 mills      \$ 114,600.00      100.00%      \$ 114,599.92      100.00%

**Specific Ownership Tax**

General Fund 3%      \$ 3,440.00      100.00%      \$ 3,788.68      110.14%

**Treasurer's Fees**

General Fund 5%      \$ 5,730.00      100.00%      \$ 5,730.09      100.00%

**Base Village Metropolitan District No. 2**  
**Schedule of Cash Position**  
**December 31, 2016**  
**Updated as of January 19, 2017**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Total</b>
<b><u>CSAFE</u></b>			
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
<i>Anticipated transfer to BV #1</i>	(5,367.60)	-	(5,367.60)
<i>Anticipated deposit from closing of US Bank trust accounts</i>	-	14,247.64	14,247.64
<i>Anticipated Balance</i>	-	47,613.85	47,613.85
<b><u>UMB Bank 2016A Reserve Fund (Acct #145568.3)</u></b>			
Balance as of 12/31/16	\$ -	\$ 654,168.23	\$ 654,168.23
<i>Anticipated Balance</i>	-	654,168.23	654,168.23
<b><u>UMB Bank 2016A Surplus Fund (Acct #145568.4)</u></b>			
Balance as of 12/31/16	\$ -	\$ 2,000,000.00	\$ 2,000,000.00
<i>Anticipated Balance</i>	-	2,000,000.00	2,000,000.00
<b><u>UMB Bank 2016A COI Fund (Acct #145568.5)</u></b>			
Balance as of 12/31/16	\$ -	\$ 124,137.60	\$ 124,137.60
Subsequent activities:			
Cost of issuance payments	-	(116,500.00)	(116,500.00)
<i>Anticipated Balance</i>	-	7,637.60	7,637.60
<b><u>UMB Bank 2016A Supplemental Fund (Acct #145568.6)</u></b>			
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>	\$ -	\$ 12,395,954.95	\$ 12,395,954.95
<b><u>Yield information at 12/31/16</u></b>			
U.S. Bank (Invested in CSAFE) - 0.67%			

**BASE VILLAGE METROPOLITAN DISTRICT #2 (GF remitted to #1)  
Property Taxes Reconciliation  
2016**

	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	\$ 7,122.70	\$ -	\$ 4,735.72	\$ -	\$ (356.14)	\$ 11,502.28	0.44%	0.44%	\$ 16,445.33	0.76%	0.76%
February	143,630.94	-	4,957.79	-	(7,181.55)	141,407.18	8.93%	9.37%	54,287.57	3.26%	4.02%
March	242,896.97	-	4,149.92	7.16	(12,145.21)	234,908.84	15.09%	24.46%	323,700.72	20.72%	24.73%
April	235,732.96	-	3,652.00	-	(11,786.65)	227,598.31	14.65%	39.11%	251,354.03	16.11%	40.84%
May	682,230.49	-	3,938.11	37.27	(34,113.39)	652,092.48	42.39%	81.50%	615,885.30	39.88%	80.72%
June	227,245.91	-	5,055.97	-	(11,362.30)	220,939.58	14.12%	95.62%	242,959.03	15.46%	96.19%
July	14,137.25	-	4,539.05	242.98	(719.01)	18,200.27	0.88%	96.50%	34,646.07	1.80%	97.99%
August	29,766.38	-	5,497.81	886.22	(1,532.63)	34,617.78	1.85%	98.35%	11,402.44	0.39%	98.38%
September	14,218.19	-	4,304.26	672.18	(744.52)	18,450.11	0.88%	99.24%	23,410.48	1.14%	99.53%
October	1,971.84	-	3,917.03	83.87	(102.78)	5,869.96	0.12%	99.36%	7,496.34	0.20%	99.73%
November	5,855.09	-	3,860.14	405.51	(313.03)	9,807.71	0.36%	99.72%	8,359.38	0.27%	100.00%
December	-	-	4,579.15	-	-	4,579.15	0.00%	99.72%	5,005.64	0.00%	100.00%
<b>Total</b>	<b>\$ 1,604,808.72</b>	<b>\$ -</b>	<b>\$ 53,186.95</b>	<b>\$ 2,335.19</b>	<b>\$ (80,357.21)</b>	<b>\$ 1,579,973.65</b>	<b>99.72%</b>	<b>99.72%</b>	<b>\$ 1,594,952.33</b>	<b>100.00%</b>	<b>100.00%</b>

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

**Property Tax**

General Fund	6.000 mills	\$ 221,970.00	13.80%	\$ 221,463.60	99.77%
Debt Service Fund	37.500 mills	1,387,311.00	86.20%	1,383,345.12	99.71%
<b>Total</b>		<b>\$ 1,609,281.00</b>	<b>100.00%</b>	<b>\$ 1,604,808.72</b>	<b>99.72%</b>

**Specific Ownership Tax**

General Fund	3%	\$ 6,660.00	13.79%	\$ 7,336.89	110.16%
Debt Service Fund	3%	41,620.00	86.21%	45,850.06	110.16%
<b>Total</b>		<b>\$ 48,280.00</b>	<b>100.00%</b>	<b>\$ 53,186.95</b>	<b>110.16%</b>

**Treasurer's Fees**

General Fund	5%	\$ 11,099.00	13.79%	\$ 11,084.13	99.87%
Debt Service Fund	5%	69,366.00	86.21%	69,273.08	99.87%
<b>Total</b>		<b>\$ 80,465.00</b>	<b>100.00%</b>	<b>\$ 80,357.21</b>	<b>99.87%</b>

**Interim Claims**

**Printed Regular Checks**

CHECKING - Distribution Detail - From 10/27/16 To 12/31/16  
 Check #: All - Vendor: All - Payee Name: All - By Date - AP Pmt Distribution

Chk No.	Date	Ven ID	Payee Name \ Vendor Name	Distribution	Check
Acct No.			Override Description	Amount	Amount
2209	11/29/16	ALSCO	ALSCO		248.62
	18805		Outside Vendor - transit center	248.62	
2210	11/29/16	ALSCO	ALSCO		69.66
	18805		Outside Vendor - transit center	69.66	
2211	11/29/16	ALTERNATIVE	Alternative Elevations LLC		350.00
	18900		Elevator - TC	350.00	
2212	11/29/16	BASEVILLAGE	Base Village Company, Inc.		6,423.21
	18930		Central Plant utilities - TC	916.71	
	18950		Water & sanitation - TC	569.74	
	48850		BTU - conf center	4,936.76	
2213	11/29/16	BLACKHILLS	Black Hills Energy		109.45
	18940		Natural Gas - TC	109.45	
2214	11/29/16	CENTURY	CenturyLink		168.35
	18845		Telephone - TC	168.35	
2215	11/29/16	CLA	CliftonLarsonAllen LLP		5,853.77
	17000		Accounting	5,853.77	
2216	11/29/16	COMCAST	Comcast Cable		282.84
	48857		TV and Internet - conf center	282.84	
2217	11/29/16	GARAGE	Garage Condominium Assoc Inc		57,569.19
	28865		HOA - CAM fees parking garage	57,569.19	
2218	11/29/16	HOLY	Holy Cross Energy		1,485.03
	17485		Electric utility	28.64	
	18855		Electric - TC	605.51	
	48855		Electric - conf center	850.88	
2219	11/29/16	MOUNTAIN	Mountain Pest Control, Inc.		130.00
	48815		Maintenance - Conf Center	130.00	
2220	11/29/16	SNOWMASSHOS	Snowmass Hospitality LLC		12,508.89
	17010		Administrative fee	2,083.33	
	18800		Management fee - transit center	1,286.25	
	18815		Maintenance - TC	1,104.00	
	18885		Maintenance supplies - TC	251.52	
	18890		Cleaning supplies - TC	66.04	
	18920		Security - TC	504.00	
	18975		Transit lane cleaning - TC	840.00	
	18980		Housekeeping TC	1,117.50	
	28800		Management fee - parking garage	3,858.75	
	48800		Management fee - conference center	857.50	
	48815		Maintenance - Conf Center	36.00	
	48920		Security - Conf Center	504.00	
2221	11/29/16	SOURCEGAS	SourceGas Distribution		109.45
	18940		Natural Gas - TC	109.45	
2222	11/29/16	TOLEDO	The Toledo Ticket Company		1,197.26
	28870		Equipment - parking garage	1,197.26	
2223	11/29/16	WBEAR	White, Bear, & Ankele		12,111.69
	17460		Legal services	12,111.69	
2224	12/27/16	ALSCO	ALSCO		412.93
	18805		Outside Vendor - transit center	363.63	
	48805		Outside Vendor	49.30	

**Base Village Metropolitan District No.1**  
8390 E. Crescent Pkwy, Suite 600, Greenwood Village, CO 80111

**Printed Regular Checks**

CHECKING - Distribution Detail - From 10/27/16 To 12/31/16  
Check #: All - Vendor: All - Payee Name: All - By Date - AP Pmt Distribution

<b>Chk No.</b>	<b>Date</b>	<b>Ven ID</b>	<b>Payee Name \ Vendor Name</b>	<b>Distribution</b>	<b>Check</b>
<b>Acct No.</b>			<b>Override Description</b>	<b>Amount</b>	<b>Amount</b>
2225	12/27/16	ALSCO	ALSCO		81.45
48805			Outside Vendor	81.45	
2226	12/27/16	ALSCO	ALSCO		78.95
48805			Outside Vendor	78.95	
2227	12/27/16	ALWAYSELECT	Always On Electric, Inc.		1,575.55
48815			Maintenance - Conf Center	1,575.55	
2228	12/27/16	BLACKHILLS	Black Hills Energy		774.42
18940			Natural Gas - TC	774.42	
2229	12/27/16	CENTURY	CenturyLink		170.12
18845			Telephone - TC	170.12	
2230	12/27/16	COLO	Colorado Special Districts P & L		45,190.12
17360			Insurance and bonds	45,190.12	
2231	12/27/16	COMCAST	Comcast Cable		272.86
48857			TV and Internet - conf center	272.86	
2232	12/27/16	HOLY	Holy Cross Energy		1,887.93
17485			Electric utility	28.07	
18855			Electric - TC	809.42	
48855			Electric - conf center	1,050.44	
2233	12/27/16	MOUNTAIN	Mountain Pest Control, Inc.		65.00
48815			Maintenance - Conf Center	65.00	
2234	12/27/16	SNOWMASSHOS	Snowmass Hospitality LLC		20,446.41
17010			Administrative fee	2,083.34	
18800			Management fee - transit center	1,324.83	
18815			Maintenance - TC	1,845.00	
18920			Security - TC	630.00	
18975			Transit lane cleaning - TC	1,136.00	
18980			Housekeeping TC	2,062.50	
28800			Management fee - parking garage	3,974.52	
28880			Garage attendant labor	4,501.00	
28920			Parking Garage - Security	650.00	
48800			Management fee - conference center	883.22	
48815			Maintenance - Conf Center	726.00	
48920			Security - Conf Center	630.00	
2235	12/27/16	TCHARLES	T. Charles Wilson		475.00
17360			Insurance and bonds	475.00	
<b>Total for the 27 checks</b>				<b>170,048.15</b>	<b>170,048.15</b>

**Base Village Metropolitan District No.1**  
8390 E. Crescent Pkwy, Suite 600, Greenwood Village, CO 80111

**Printed Regular Checks**

CHECKING - Distribution Detail - From 10/27/16 To 12/31/16  
Check #: All - Vendor: All - Payee Name: All - By Date - AP Pmt Distribution

Account Distributions

Account No.	Account Description	Amount
17000	Accounting	5,853.77
17010	Administrative fee	4,166.67
17360	Insurance and bonds	45,665.12
17460	Legal services	12,111.69
17485	Electric utility	56.71
18800	Management fee - transit center	2,611.08
18805	Outside services - transit center	681.91
18815	Maintenance - TC	2,949.00
18845	Telephone - TC	338.47
18855	Electric - TC	1,414.93
18885	Maintenance supplies - TC	251.52
18890	Cleaning supplies - TC	66.04
18900	Elevator - TC	350.00
18920	Security - TC	1,134.00
18930	Central Plant utilities - TC	916.71
18940	Natural Gas - TC	993.32
18950	Water & sanitation - TC	569.74
18975	Transit lane cleaning - TC	1,976.00
18980	Housekeeping TC	3,180.00
28800	Management fee - parking garage	7,833.27
28865	HOA - CAM fees parking garage	57,569.19
28870	Equipment - parking garage	1,197.26
28880	Garage attendant labor	4,501.00
28920	Parking Garage - Security	650.00
48800	Management fee - conference center	1,740.72
48805	Outside services - Also	209.70
48815	Maintenance - Conf Center	2,532.55
48850	BTU - conf center	4,936.76
48855	Electric - conf center	1,901.32
48857	TV and Internet - conf center	555.70
48920	Security - Conf Center	1,134.00
		<b>170,048.15</b>



CliftonLarsonAllen LLP  
8390 East Crescent Parkway, Suite 500  
Greenwood Village, CO 80111  
303-779-5710 | fax 303-779-0348  
CLAconnect.com

## Cash Access Addendum

This Cash Access Addendum constitutes an addendum to our original agreement made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and Base Village Metropolitan District 1 (“you,” and “your”) in our engagement letter dated April 11, 2016. The purpose of this addendum is to outline additional services you wish us to perform in connection with that agreement.

### Scope of additional services

You have requested CLA to performed tasks that will require handling of cash or cash equivalents. We will provide check-signing services or have access to other cash accounts and transactions while performing our work for you.

### CLA responsibilities

CLA shall be authorized to:

- Prepare checks and wire transfers to be drawn upon your bank account(s) and to use appropriate methods to thereby finally approve such checks for payment by the corresponding bank(s).
- Obtain administrator access to your bank accounts for purposes of performing the duties documented in our engagement letter identified above.
- Take deposits to the bank.

### Management responsibilities

Notwithstanding the foregoing, the Board of Directors of the District shall remain responsible for the processes below:

- Approve all invoices and check payments.
- Approve all new vendors and customers added to the accounting system.
- Approve all wire transfers to external parties.
- Approve all new employees and all employee status changes prior to those employees or changes being added to the payroll system.
- Delegate the review and approval of all bank statements and affiliated monthly reconciliations to the CLA controller.



**Agreement and approvals**

We appreciate the opportunity to provide the services described in our engagement letter dated April 11, 2016. All other terms and provisions of that engagement letter (including the Limitation of Remedies and Time Limitation provisions) shall continue to apply to these services. We believe this addendum accurately summarizes the additional terms of our engagement. If you have any questions, please let us know. If you agree with the terms of this addendum, please sign below and return it to us.

**CliftonLarsonAllen LLP**



Kevin Collins, CPA  
Principal  
(303) 779 - 5710  
kevin.collins@CLAconnect.com

**Accepted:**

The undersigned acknowledge he/she has read and understands the above risk assessment and has taken the necessary steps to mitigate any such risks, taking into consideration the needs of Base Village Metropolitan District 1 and CLA.

Authorized Representative Signature: \_\_\_\_\_

Authorized Representative Name (please print): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



CliftonLarsonAllen LLP  
8390 East Crescent Parkway, Suite 500  
Greenwood Village, CO 80111  
303-779-5710 | fax 303-779-0348  
CLAconnect.com

## Cash Access Addendum

This Cash Access Addendum constitutes an addendum to our original agreement made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and Base Village Metropolitan District 2 (“you,” and “your”) in our engagement letter dated April 11, 2016. The purpose of this addendum is to outline additional services you wish us to perform in connection with that agreement.

### Scope of additional services

You have requested CLA to performed tasks that will require handling of cash or cash equivalents. We will provide check-signing services or have access to other cash accounts and transactions while performing our work for you.

### CLA responsibilities

CLA shall be authorized to:

- Prepare checks and wire transfers to be drawn upon your bank account(s) and to use appropriate methods to thereby finally approve such checks for payment by the corresponding bank(s).
- Obtain administrator access to your bank accounts for purposes of performing the duties documented in our engagement letter identified above.
- Take deposits to the bank.

### Management responsibilities

Notwithstanding the foregoing, the Board of Directors of the District shall remain responsible for the processes below:

- Approve all invoices and check payments.
- Approve all new vendors and customers added to the accounting system.
- Approve all wire transfers to external parties.
- Approve all new employees and all employee status changes prior to those employees or changes being added to the payroll system.
- Delegate the review and approval of all bank statements and affiliated monthly reconciliations to the CLA controller.

**Agreement and approvals**

We appreciate the opportunity to provide the services described in our engagement letter dated April 11, 2016. All other terms and provisions of that engagement letter (including the Limitation of Remedies and Time Limitation provisions) shall continue to apply to these services. We believe this addendum accurately summarizes the additional terms of our engagement. If you have any questions, please let us know. If you agree with the terms of this addendum, please sign below and return it to us.

**CliftonLarsonAllen LLP**



Kevin Collins, CPA  
Principal  
(303) 779 - 5710  
kevin.collins@CLAconnect.com

**Accepted:**

The undersigned acknowledge he/she has read and understands the above risk assessment and has taken the necessary steps to mitigate any such risks, taking into consideration the needs of Base Village Metropolitan District 2 and CLA.

Authorized Representative Signature: \_\_\_\_\_

Authorized Representative Name (please print): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# **Base Village Metropolitan District No.2**

## **Independent Evaluation of Refinancing Proposal**

### **Financial Advisor Report**

**December 21, 2016**

**Prepared by:**



# Table of Contents

- I. INTRODUCTION AND SCOPE OF WORK ..... 3
- II. REVIEW OF FINANCING GOALS ..... 3
- III. INDEPENDENT EVALUATION AND ANAYLSIS ..... 4
- IV. PRICING COMFORT AND FINAL VERIFICATION OF SAVINGS..... 13
- V. CONCLUSION..... 13

## I. INTRODUCTION AND SCOPE OF WORK

The purpose of this Report is to summarize the findings of North Slope Capital Advisors related to the refinancing of Base Village Metropolitan District #2 (“District 2”) debt obligations. As an Independent Registered Municipal Advisor, regulated by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board, North Slope Capital Advisors has a fiduciary duty of loyalty and care to put the financial interests of the District ahead of its own business interests. North Slope was engaged by the District 2 as an Independent Registered Municipal Advisor on September 22, 2016 to perform, in accordance with industry best practices, the work detailed below as described in the executed Financial Advisory Engagement Letter:

1. **Confirm the District's Financing Goals.** Prior to engagement, North Slope Capital Advisors understood the goals of the proposed Series 2016 refinancing to include but not be limited to: 1) refinancing the Series 2013A balloon payment, 2) decreasing District 2's existing obligations, lowering its cost of capital and capturing debt service savings and 3) creating a path to lower taxes.

Subsequent to being engaged, North Slope Capital conferred with various professionals including bond counsel to the District, District counsel, District accountant, DA Davidson, Related and East West Partners to confirm these primary goals and identify other financing objectives.

2. **Conduct an Independent Evaluation the Proposed Financing.** North Slope reviewed and analyzed two financing alternatives available to District 2 to accomplish its stated financing goals. North Slope Capital independently modeled the financing alternatives and quantified the cash flow and present value repayment cost difference between the existing and proposed debt. North Slope is issuing this report summarizing the benefits and risks present in the plan of finance from the perspective of District 2 taxpayers, including commentary on the advisability of a proposed refunding bond issuance.
3. **Pricing Comfort.** North Slope reviewed the pricing of the transaction and provided comfort that the interest rates and other structuring elements (redemption features, amortization, etc.) are fair and reasonable given the size, structure and credit quality of the transaction. North Slope has executed a Financial Advisor Pricing Certificate as a part of closing documentation.

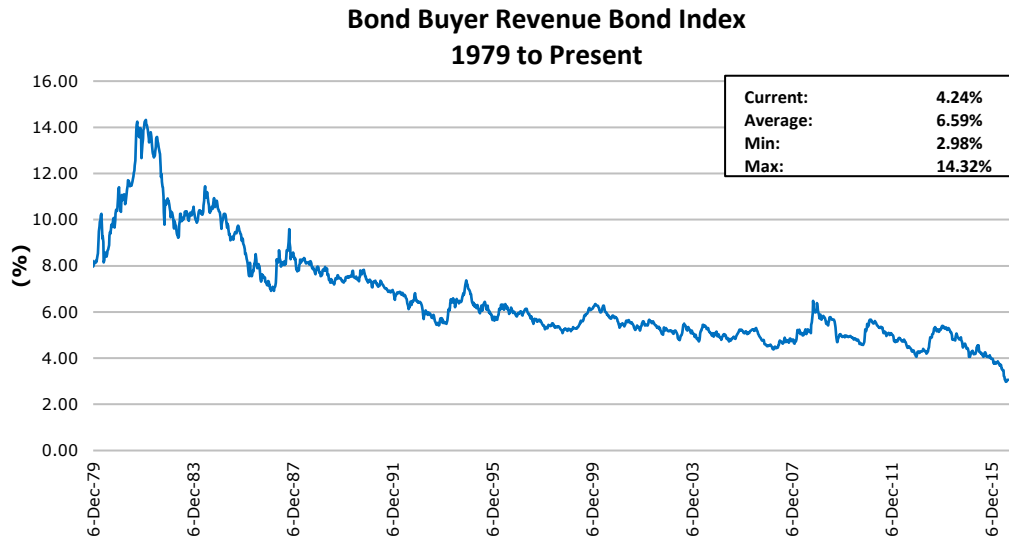
## II. REVIEW OF FINANCING GOALS

It is our current understanding that the goals of District 2 for a refinancing of its existing obligations include the following:

- 1) Capitalize on long-term interest rates at historic lows with a refinancing of the existing Series 2013A Loan. The Series 2013A Loan is structured with a 2020 bullet maturity, subjecting the Districts to interest rate risk in 2020.

The two interest rate graphs on the following page show current market interest rates equal to half the historic average of the Bond Buyer Revenue Bond Index, a major index for the tax-exempt

bond market, and over 100 basis points below interest rates in 2008 at the time of the first Base Village Metropolitan District bond issuance.



Source: Bloomberg. The Revenue Bond Index consists of 25 various revenue bonds that mature in 30 years.

- 2) Facilitate the planned real estate closing, including the orderly and complete exit of Related from the Base Village Metropolitan District asset.
- 3) Lower District 2's current debt burden of \$63.725 million (\$48.917 million in principal and \$14.807 million in accrued unpaid interest).
- 4) Shift the financial burden of annual operations and maintenance to District 1, eliminating the operations and maintenance mill levy as soon as District 1 assessed valuation supports full payment of such expenses.
- 5) Achieve property tax savings (debt service and operations and maintenance) equal to or exceeding the Government Finance Officers' Association ("GFOA") minimum recommended savings target. The GFOA recommends present value savings, net of transactions costs, of more than 3% of the principal amount refinanced. \$46.48 million of District 2 debt to be refinanced yields a net present value savings target of not less than \$1.39 million.
- 6) Position District 2 for a potential future investment grade refinancing on the lower principal amount than would otherwise be outstanding on District 2's current course.

Lastly, while not included in North Slope Capital's first report to the Board on October 13<sup>th</sup>, we understand that simplification of the current multi-tier debt stack with its various interest rates, put and discharge dates, and other requirements to be of value to East West Partners and other existing and new owners.

### III. INDEPENDENT EVALUATION AND ANALYSIS

**Document Review.** As part of our evaluation of certain refinancing options available to the District under two different reassessment cases, North Slope reviewed the principal financing documents associated with prior bond issuances, including:

- The Series 2008 transcript
- The 2009 cash collateralization transcript,
- The Series 2013 transcript, and
- Various letter of credit extension documents (2010, 2011, and 2012).

In addition to reviewing the various financing documents listed above, North Slope also reviewed documents between the two districts and the developer, including:

- The Advance and Reimbursement Agreement (and amendments),
- The Infrastructure Acquisition and Reimbursement Agreement (and amendments),
- The Intergovernmental Agreement,
- The Amended and Restated Consolidated Service Plan,
- The DA Davidson Term Sheet dated September 29, 2016, and
- RCLCO Real Estate Advisors’ Draft Market Study dated October 7, 2016.

**Financial Modeling.** The primary goal of North Slope Capital’s modeling and analysis of District 2’s existing obligations, projected future assessed valuation and resulting tax burden, and the proposed refunding was to quantify the estimated savings, if any, that could accrue to District 2 taxpayers under the refinancing detailed in DA Davidson’s September 29th presentation to the Board identified as “Option 3”. For the balance of this report, “Option 3” will be referred to as the Refunding Case. “Option 1” of the same September 29th presentation contemplated no District action to refinance or restructure existing obligations. For the balance of this report DA Davidson’s “Option 1” will be referred to as the “Base Case” or the “Do Nothing” case.

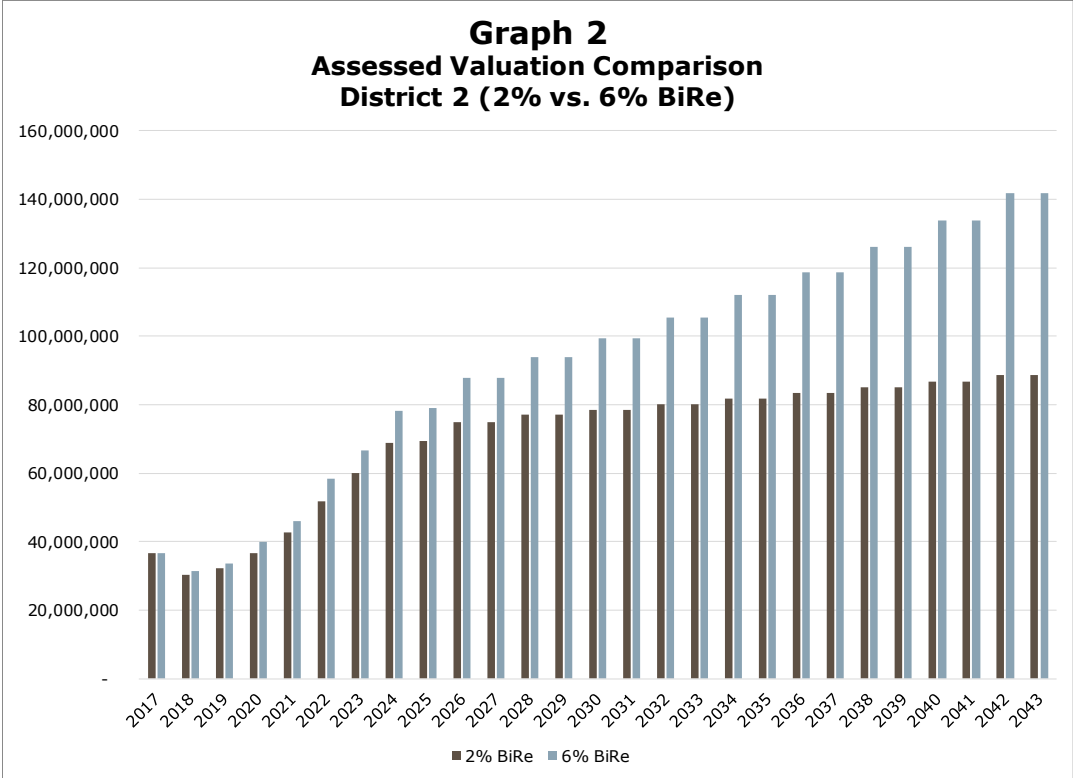
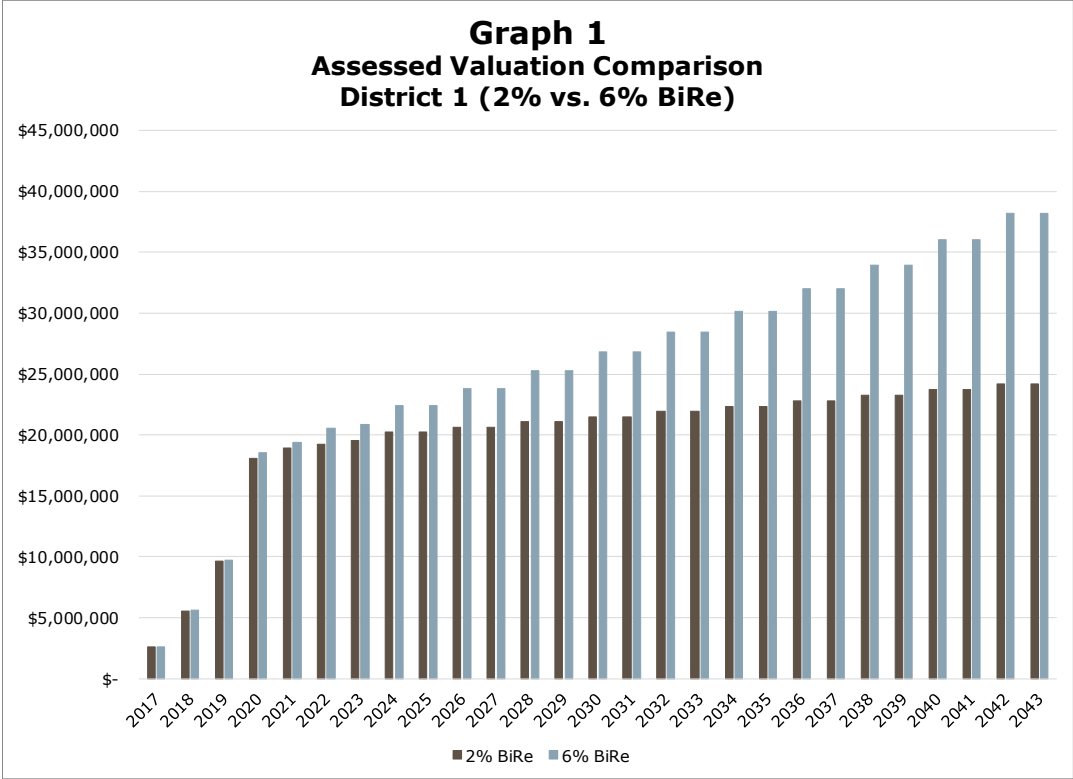
DA Davidson’s “Option 2” has not been analyzed herein as it fails to meet the financing goals restated in Section 2. Two models were constructed to determine which of two alternatives, the “Do Nothing” case, or the Refunding Case best meets the identified financing goals. The two models differ only in their assumptions for biennial reassessment rates as detailed below. The 6% case follows the projected reassessment rates identified in the RCLCO Real Estate Advisors’ Market Study.

Collection Year	Assumed Residential Biennial Reassessment Rate	Assumed Commercial Biennial Reassessment Rate
2018	4.7%	6.1%
2020	10.3%	6.1%
2022	10.3%	6.1%
2024	6.1%	6.1%
Thereafter	6.1%	6.1%

The more conservative 2% case assumes slower future growth in assessed valuation due to biennial reassessment and results in a slower payback of District obligations in both the “Do Nothing” and the



Refunding case. Differences in the projected assessed valuations by District for both financing scenarios are shown in Graph 1 (District 1) and Graph 2 (District 2) below:



**The 2% Biennial Reassessment Case.** As mentioned above, the only difference between the two financial models constructed for this report is the assumed future reassessment rates shown in the first two rows of Table 1A below. Table 1A also details the other major financing assumptions for the first model:

<b>Table 1A</b>	
<b>Savings Analysis Assumptions - 2% BiRe Case</b>	
Reassessment Rate 2017-2020	2.0%
Reassessment Rate 2021-2048	2.0%
District Debt as of 12/20/16	46,481,957
<b>3% Minimum PV Savings Target</b>	<b>1,394,459</b>
Series 2013A Principal Outstanding	18,445,000
Series 2013B Principal Outstanding	23,760,000
Series 2013B Accrued Unpaid Int. 12/20	4,276,957
Guarantor Principal Outstanding	1,278,000
Guarantor Accrued Unpaid Int. 12/20	6,712,433
Reimbursement Ob. Outstanding	5,434,730
Reimbursement Accrued Unpaid Int. 12/20	3,818,106
2016A Debt Service Reserve	654,168
Surplus Fund Target Balance	2,000,019
Interest Rate Used to Present Value Savings	6.000%

Under the 2016 refunding, the District’s existing debt obligations are pared down from the existing four debt tranches: Series 2013A Loan, Series 2013B Bond, Guarantor Bond and Reimbursement Obligation, to two tranches, Series 2016A Bonds and Series 2016B Bonds. This reduction would involve: 1) forgiveness of the Guarantor Bonds and 2) reassignment of the joint Reimbursement Obligation to District 1 alone.

For purposes of our modeling, District 1 mill levy revenues at 43.5 mills were applied to service debt from 2017 until retirement or discharge and then backed out of total debt service figures to examine the impact of a refunding on District 2 taxpayers in isolation.

Tables 2A and 3A on the following page show projected District 2 taxes by component (debt service by tranche and operations and maintenance) for both the Base “Do Nothing” Case and the Refunding Case assuming RCLCO Market Study valuations and 2% biennial reassessment. No principal or interest payments are shown for Guarantor Bond under the “Do Nothing” case in the 2% growth scenario as that obligation is projected to be discharged prior to the time that property taxes, after payment of the Series 2013A Loan and Series 2013B Bond, would be available to make any payments toward the Guarantor Bond.

<b>Table 2A</b>	
<b>District 2 Taxes by Component - "Do Nothing"</b>	
Series 2013A Debt Service	33,866,410
Series 2013B Interest	39,516,467
Series 2013B Principal	20,711,657
Guarantor Interest	-

Guarantor Principal	-
Reimbursement Interest	17,795,062
Reimbursement Principal	<u>5,434,730</u>
<b>Total Debt Service</b>	<b>117,324,326</b>
Less: District 1 Contribution 2017-2048	<u>28,198,080</u>
<b>District 2 Taxes for Debt Service</b>	<b>89,126,246</b>
District 2 O&M Taxes 2017-2056	18,450,264
<b>Total District 2 Taxes</b>	<b>107,576,510</b>
<b>Present Value of Total Taxes</b>	<b>40,561,426</b>

<b>Table 3A</b>	
<b>District 2 Taxes by Component - Proposed Refunding</b>	
Series 2016A Debt Service	69,058,849
Series 2016B Interest	20,918,766
Series 2016B Principal	0
Guarantor Interest	-
Guarantor Principal	-
Reimbursement Interest	-
Reimbursement Principal	-
<b>Total Debt Service</b>	<b>89,977,616</b>
Less: Surplus Fund Draws	(1,357,313)
Less: Surplus Release in 2046	<u>(642,706)</u>
<b>District 2 Taxes for Debt Service</b>	<b>87,977,597</b>
District 2 O&M Taxes 2017-2019	492,167
<b>Total District 2 Taxes</b>	<b>88,469,764</b>
<b>Present Value of Total Taxes</b>	<b>34,963,416</b>

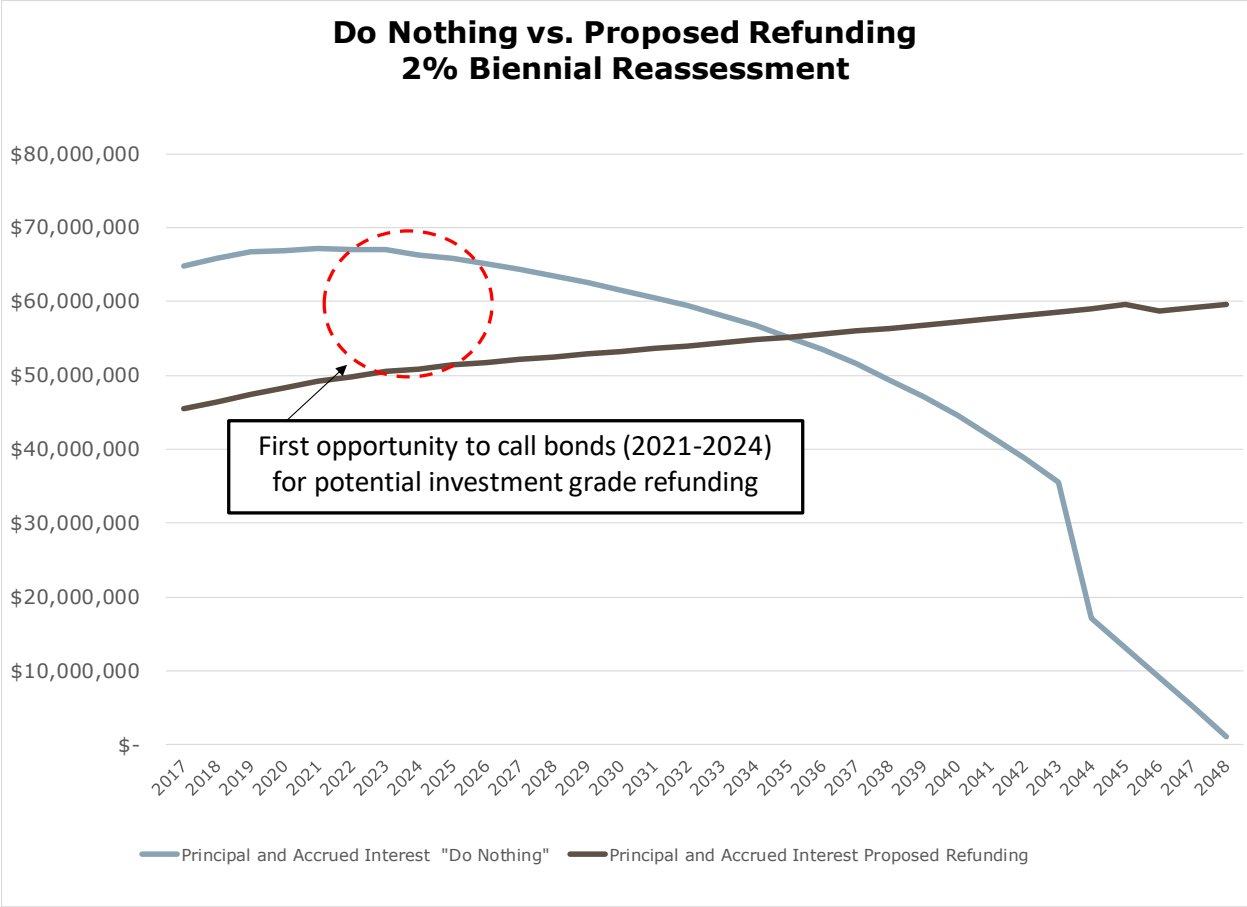
The refunding transaction also includes a reassignment of the obligation to pay annual operations and maintenance expenses (estimated to be \$500,000 in 2017 and grow at an annual rate of 1%) to rest solely with District 1 as soon as District 1's assessed valuation supports operations and maintenance fully (estimated to be 2020).

The chart on the following page illustrates projected tax savings by component: 1) debt service savings and 2) operations and maintenance savings. These cash flow savings are then discounted at a rate of 6% (a proxy for the all-in cost of capital on the refunding) for an aggregate present value savings total. Total present value savings for the 2% biennial reassessment case of \$5.59 million equates to 12.0% of the District's refinanced principal.

**TABLE 4A  
CASH FLOW AND PRESENT VALUE SAVINGS ANALYSIS  
2% BIENNIAL REASSESSMENT**

DEBT SERVICE SAVINGS					O&M SAVINGS					TOTAL PV SAVINGS
"Do Nothing" Debt Service	Proposed Refunding Debt Service	Cash Flow Savings	Present Value Savings	"Do Nothing" O&M	Proposed O&M Outlay	Cash Flow Savings	Present Value Savings			
2017	1,493,932	1,493,932	(0)	(0)	2017	215,523	215,523	0	-	(0)
2018	1,354,446	1,354,446	0	0	2018	177,268	177,268	0	-	0
2019	1,412,508	1,412,508	0	-	2019	189,921	99,375	90,546	76,024	76,024
2020	1,682,404	1,682,404	0	-	2020	215,109		215,109	170,386	170,386
2021	1,801,526	1,801,526	0	-	2021	250,836		250,836	187,440	187,440
2022	2,258,706	2,258,706	0	-	2022	304,492		304,492	214,655	214,655
2023	2,195,300	2,195,300	0	-	2023	353,106		353,106	234,836	234,836
2024	2,741,264	2,741,264	0	-	2024	404,475		404,475	253,773	253,773
2025	2,536,517	2,536,517	0	-	2025	407,990		407,990	241,489	241,489
2026	2,736,488	2,736,488	0	-	2026	440,155		440,155	245,780	245,780
2027	2,736,488	2,736,488	0	-	2027	440,155		440,155	231,868	231,868
2028	2,812,821	2,812,821	0	-	2028	452,433		452,433	224,845	224,845
2029	2,812,821	2,812,821	0	-	2029	452,433		452,433	212,118	212,118
2030	2,869,077	2,869,077	0	-	2030	461,481		461,481	204,114	204,114
2031	2,869,077	2,869,077	0	-	2031	461,481		461,481	192,560	192,560
2032	2,926,459	2,926,459	0	-	2032	470,711		470,711	185,294	185,294
2033	2,926,459	2,926,459	0	-	2033	470,711		470,711	174,805	174,805
2034	2,984,988	2,984,988	0	-	2034	480,125		480,125	168,209	168,209
2035	2,984,988	2,984,988	0	-	2035	480,125		480,125	158,688	158,688
2036	3,044,688	3,044,688	0	-	2036	489,728		489,728	152,699	152,699
2037	3,044,688	3,044,688	0	-	2037	489,728		489,728	144,056	144,056
2038	3,105,581	3,105,581	0	-	2038	499,522		499,522	138,620	138,620
2039	3,105,581	3,105,581	0	-	2039	499,522		499,522	130,774	130,774
2040	3,167,693	3,167,693	0	-	2040	509,513		509,513	125,839	125,839
2041	3,167,693	3,167,693	0	-	2041	509,513		509,513	118,716	118,716
2042	3,231,047	3,231,047	0	-	2042	519,703		519,703	114,236	114,236
2043	3,231,047	3,231,047	0	-	2043	519,703		519,703	107,770	107,770
2044	3,295,668	3,295,668	0	-	2044	530,097		530,097	103,703	103,703
2045	3,295,668	3,295,668	0	-	2045	530,097		530,097	97,833	97,833
2046	3,361,581	3,361,581	0	-	2046	540,699		540,699	94,141	94,141
2047	3,361,581	3,361,581	0	-	2047	540,699		540,699	88,812	88,812
2048	3,428,813	3,428,813	0	-	2048	551,513		551,513	85,461	85,461
2049	1,148,650	0	1,148,650	167,917	2049	551,513		551,513	80,624	248,540
2050	0	0	0	-	2050	562,543		562,543	77,581	77,581
2051	0	0	0	-	2051	562,543		562,543	73,190	73,190
2052	0	0	0	-	2052	573,794		573,794	70,428	70,428
2053	0	0	0	-	2053	573,794		573,794	66,441	66,441
2054	0	0	0	-	2054	585,270		585,270	63,934	63,934
2055	0	0	0	-	2055	585,270		585,270	60,315	60,315
2056	0	0	0	-	2056	596,975		596,975	58,039	58,039
	89,126,246	87,977,596	1,148,650	167,917		18,450,264	492,167	17,958,097	5,430,093	5,598,010
<b>PV Savings % of Refunded Principal</b>										<b>12.0%</b>

North Slope Capital’s last measure of the efficacy of the refunding was a comparison of principal and accrued interest outstanding over time under the “Do Nothing” case versus the Refunding Case. The Series 2016A Bonds are callable in 2021 with a call premium declining from 103% to par over four years. The opportunity to refinance a lower principal and accrued interest balance in the years 2021 to 2024 is notably improved in the Refunding Case as shown below.



**The 6% Biennial Reassessment Case.** The following charts and graphs represent North Slope Capital’s analysis and findings of the RCLCO Market Study projected market and assessed valuation, reassessed at the rates given in the summary table below for 2018, 2020, 2022 and thereafter.

<b>Table 1B</b>	
<b>Savings Analysis Assumptions - 6% BiRe Case</b>	
Residential Reassessment Rate 2018	4.7%
Residential Reassessment Rate 2020	10.3%
Residential Reassessment Rate 2022	10.3%
Commercial Reass. and Residential Reass. 2024-48	6.09%
District Debt as of 12/20/2016	46,481,957
<b>3% Minimum PV Savings Target</b>	<b>1,394,459</b>
Series 2013A Principal Outstanding	18,445,000
Series 2013B Principal Outstanding	23,760,000
Series 2013B Accrued Unpaid Int. 12/20	4,276,957
Guarantor Principal Outstanding	1,278,000
Guarantor Accrued Unpaid Int. 12/20	6,712,433
Reimbursement Ob. Outstanding	5,434,730
Reimbursement Accrued Unpaid Int. 12/20	3,818,106
	-

2016A Debt Service Reserve	654,168
Surplus Fund Balance	2,000,019
Interest Rate Used to Present Value Savings	6.000%

Higher assumed assessed valuation growth rates allow for accelerated repayment of existing and new debt compared to the 2% biennial reassessment case. In terms of debt repayment of the existing four tranches under the “Do Nothing” case compared to the Refunding Case, higher reassessment rates benefit the existing structure disproportionately due to the unique structuring features imbedded in the current tranches as seen in charts 2B and 3B below:

<b>Table 2B</b>	
<b>District 2 Taxes by Component - "Do Nothing"</b>	
Series 2013A Debt Service	33,866,410
Series 2013B Interest	30,314,545
Series 2013B Principal	23,760,000
Guarantor Interest	9,620,914
Guarantor Principal	1,278,000
Reimbursement Interest	15,191,931
Reimbursement Principal	5,434,730
<b>Total Debt Service</b>	<b>119,466,529</b>
Less: D1 Contribution 2017-2045	<b>29,435,915</b>
<b>District 2 Taxes for Debt Service</b>	<b>90,030,614</b>
District 2 O&M Taxes 2017-2056	22,431,539
<b>Total District 2 Taxes</b>	<b>112,462,152</b>
<b>Present Value of Total Taxes</b>	<b>45,373,811</b>

<b>Table 3B</b>	
<b>District 2 Taxes by Component - Proposed Refunding</b>	
Series 2016A Debt Service	69,058,849
Series 2016B Interest	37,746,016
Series 2016B Principal	13,330,000
Guarantor Interest	-
Guarantor Principal	-
Reimbursement Interest	-
Reimbursement Principal	-
<b>Total Debt Service</b>	<b>120,134,865</b>
Less: Surplus Fund Draws	<b>(972,578)</b>
Less: Surplus Release in 2046	(1,027,441)
<b>District 2 Taxes for Debt Service</b>	<b>118,134,846</b>
District 2 O&M Taxes 2017-2020	495,040
<b>Total District 2 Taxes</b>	<b>118,629,886</b>
<b>Present Value of Total Taxes</b>	<b>43,938,284</b>

As explained above, the refunding transaction includes a reassignment of the obligation to pay annual operations and maintenance expenses (estimated to be \$500,000 in 2017 and grow at an annual rate of

1%) to rest solely with District 1 as soon as District 1’s assessed valuation supports operations and maintenance fully (estimated to be 2020).

The chart on the following page illustrates projected savings by component: 1) debt service savings (or dis-savings) and 2) operations and maintenance savings. Debt service dis-savings and operations and maintenance savings are then discounted at a rate of 6% (a proxy for the all-in cost of capital of the refunding) for an aggregate present value savings total.

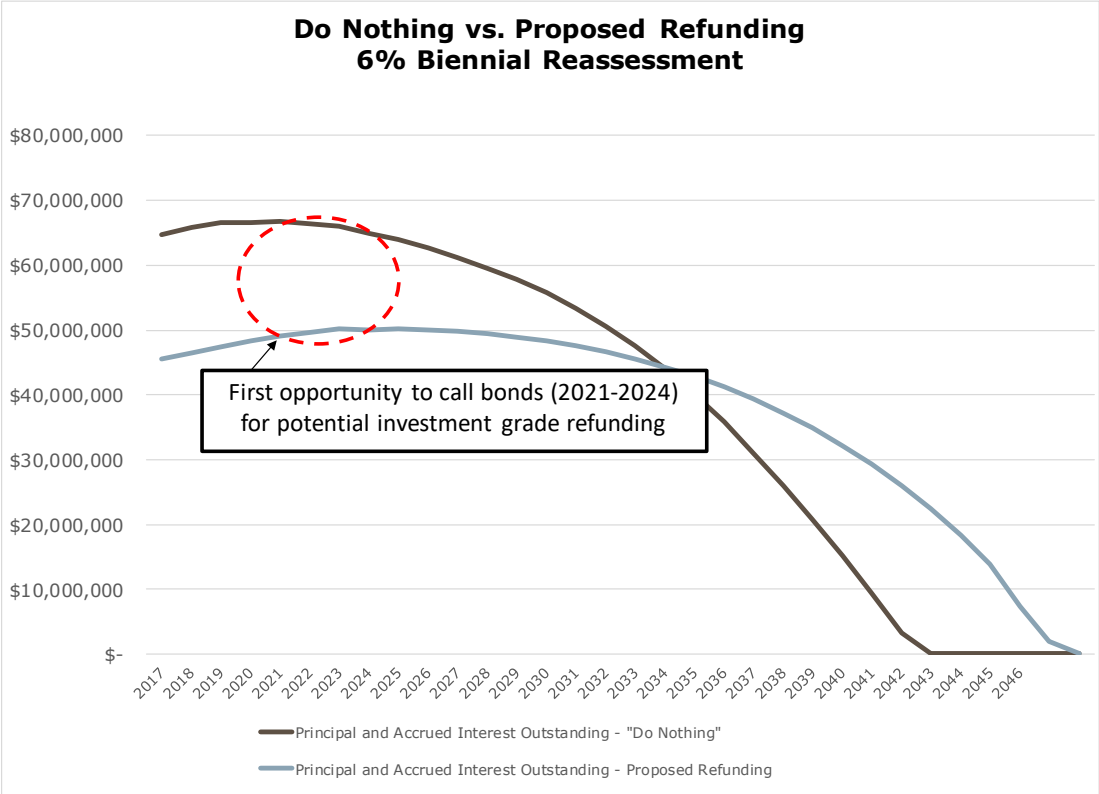
Aggregate present value savings of \$1.435 million under the 6% biennial reassessment case is comprised of a \$5.083 million present value debt service loss due to the accelerated repayment flexibility available under the existing debt structure, and an estimated \$6.518 million operations and maintenance present value savings.

TABLE 4B CASH FLOW AND PRESENT VALUE SAVINGS ANALYSIS 6% BIENNIAL REASSESSMENT										
DEBT SERVICE SAVINGS					O&M SAVINGS					TOTAL PV SAVINGS
	"Do Nothing" Debt Service	Proposed Refunding Debt Service	Cash Flow Savings	Present Value Savings		"Do Nothing" O&M	Proposed O&M Outlay	Cash Flow Savings	Present Value Savings	
2017	1,515,032	1,515,032	(0)	(0)	2017	215,523	215,523	0	-	(0)
2018	1,425,989	1,425,989	0	0	2018	184,634	184,634	0	-	0
2019	1,458,301	1,458,301	0	0	2019	197,286	94,882	102,404	85,981	85,981
2020	1,805,554	1,805,554	0	-	2020	234,917	0	234,917	186,076	186,076
2021	1,924,676	1,924,676	0	-	2021	270,645		270,645	202,241	202,241
2022	2,498,531	2,498,531	0	-	2022	343,067		343,067	241,848	241,848
2023	2,435,124	2,435,124	0	-	2023	391,681		391,681	260,490	260,490
2024	3,085,482	3,085,482	0	-	2024	459,841		459,841	288,510	288,510
2025	2,880,735	2,880,735	0	-	2025	463,356		463,356	274,260	274,260
2026	3,205,412	3,205,412	0	-	2026	515,580		515,580	287,897	287,897
2027	3,205,412	3,205,412	0	-	2027	515,580		515,580	271,601	271,601
2028	3,422,225	3,422,225	0	-	2028	550,453		550,453	273,558	273,558
2029	3,422,225	3,422,225	0	-	2029	550,453		550,453	258,074	258,074
2030	3,630,638	3,630,638	0	-	2030	569,047		569,047	251,690	251,690
2031	3,630,638	3,630,638	0	-	2031	574,737		574,737	239,818	239,818
2032	3,851,744	3,851,744	0	-	2032	580,484		580,484	228,506	228,506
2033	3,851,744	3,851,744	0	-	2033	586,289		586,289	217,727	217,727
2034	4,086,315	4,086,315	0	-	2034	592,152		592,152	207,457	207,457
2035	4,086,315	4,086,315	0	-	2035	598,074		598,074	197,671	197,671
2036	4,335,172	4,335,172	0	-	2036	604,054		604,054	188,347	188,347
2037	4,335,172	4,335,172	0	-	2037	610,095		610,095	179,463	179,463
2038	4,599,184	4,599,184	0	-	2038	616,196		616,196	170,998	170,998
2039	4,599,184	4,599,184	0	-	2039	622,358		622,358	162,932	162,932
2040	4,879,274	4,879,274	0	-	2040	628,582		628,582	155,246	155,246
2041	4,879,274	4,879,274	0	-	2041	634,867		634,867	147,923	147,923
2042	5,176,422	5,176,422	0	-	2042	641,216		641,216	140,946	140,946
2043	1,804,842	5,176,422	(3,371,580)	(699,158)	2043	647,628		647,628	134,297	(564,860)
2044	0	5,491,666	(5,491,666)	(1,074,335)	2044	654,104		654,104	127,963	(946,373)
2045	0	5,491,666	(5,491,666)	(1,013,524)	2045	660,645		660,645	121,927	(891,597)
2046	0	5,826,108	(5,826,108)	(1,014,384)	2046	667,252		667,252	116,175	(898,209)
2047	0	5,826,108	(5,826,108)	(956,966)	2047	673,924		673,924	110,695	(846,271)
2048	0	2,097,106	(2,097,106)	(324,962)	2048	680,664		680,664	105,474	(219,488)
2049	0	0	0	-	2049	687,470		687,470	100,499	100,499
2050	0	0	0	-	2050	694,345		694,345	95,758	95,758
2051	0	0	0	-	2051	701,288		701,288	91,241	91,241
2052	0	0	0	-	2052	708,301		708,301	86,937	86,937
2053	0	0	0	-	2053	715,384		715,384	82,837	82,837
2054	0	0	0	-	2054	722,538		722,538	78,929	78,929
2055	0	0	0	-	2055	729,764		729,764	75,206	75,206
2056	0	0	0	-	2056	737,061		737,061	71,659	71,659
	90,030,614	118,134,846	(28,104,233)	(5,083,329)		22,431,539	495,040	21,936,499	6,518,857	1,435,527

PV Savings % of Refunded Principal 3.09%

It is worth noting that this portrayal of debt service dis-savings/savings ignores the interest rate and refinance risk posed by a 2020 refinancing of the Series 2013A Bonds in a higher inflation/interest rate environment.

Finally, as with the previous scenario, North Slope Capital’s last measure of the efficacy of the refunding under the 6% biennial reassessment case was a comparison of principal and accrued interest outstanding over time under the “Do Nothing” case versus the Refunding Case. The Series 2016A Bonds are callable in 2021 with a call premium declining from 103% to par over four years. The opportunity to refinance a lower principal and accrued interest balance in the years 2021 to 2024 is notably improved in the Refunding Case as shown below.



IV. PRICING COMFORT AND FINAL VERIFICATION OF SAVINGS

North Slope provided a certification at the time of bond pricing on December 16<sup>th</sup> (the “Financial Advisor Pricing Certificate”) that the interest rates and structuring features of the Series 2016A and 2016B Bonds were on-market and that the final financing meets the goals identified above.

V. CONCLUSION

The refinancing of the existing Series 2013A Loan, 2013B Bonds, Guarantor Bonds, and Reimbursement Obligations accomplished the six goals set forth in Section 2 assuming the market and assessed valuation projections contained in the final RCLCO Real Estate Advisors’ Market Study are realized.



As shown in Table 4A in Section III above, assuming a 2% biennial reassessment rate and the other assumptions listed above, North Slope Capital Advisors calculates the net aggregate present value savings produced by the refunding to be over \$5.5 million, or 12.0% of the refinanced principal amount. These estimated debt service and operations and maintenance savings are in excess of the Government Finance Officers' Association target of 3% net present value savings. In addition, the line graph on page 10 in Section III shows estimated outstanding principal and accrued interest to be lower in the Refunding Case compared to the Base Case from 2017 to 2035, including the dates the Series 2016A Bonds can be called by a range of \$15.4 to \$18.0 million.

The 6% biennial reassessment rate case, also meets the minimum present value savings goal as set forth in item #5, Section 2 of this report when the tax impact of estimated debt service and operation and maintenance expenses are aggregated. In addition, assuming 6% biennial reassessment, the District's estimated outstanding principal and accrued interest in 2024 (the first par call date for Series 2016A) would be \$14.8 million lower than the same balance the Base Case.

The Series 2016A and 2016B refunding lowers the District 2 debt burden from \$63.725 million to \$44.59 million, a 29.5% reduction, effective at closing on December 22, 2016.

In closing, the final Series 2016A and 2016B refunding results, under both the 2% and 6% growth cases evaluated by North Slope Capital Advisors per our engagement and as a fiduciary to the District, meet all six of the identified financing goals set forth in Section 2 of this report.



## North Slope Capital Advisors

730 17<sup>th</sup> Street, Suite 900

Denver, CO 80202

303-953-4101

[www.northslopecapital.com](http://www.northslopecapital.com)

### BASE VILLAGE METROPOLITAN DISTRICT POST-CLOSING FINANCING SUMMARY PREPARED JANUARY 16, 2017

On December 22, 2016, Base Village Metropolitan District No. 2 successfully closed a two-series refinancing that accomplished the six financing goals identified in early fall as detailed below.

#### **Six Refinancing Goals Achieved**

- 1) Capitalize on long-term interest rates at historic lows with a refinancing of the existing Series 2013A Loan. The Series 2013A Loan is structured with a 2020 bullet maturity, subjecting the Districts to interest rate risk in 2020. General obligation bond interest rates were lower in December 2016 than they have been 91.1% of the time since January 1980. The interest rates on the Series 2016A and 2016B Bonds were 5.66% and 6.50% respectively. This compares to interest rates of 3.05%, 6.50%, 8% and 10% on the four tranches of prior District debt. It is worth noting that the 3.05% rate on the 2013A Loan was only fixed through 2020 and subjected the District to interest rate risk upon reset in 2020.**
- 2) Facilitate the planned real estate closing, including the orderly and complete exit of Related from the Base Village Metropolitan District asset. The real estate closing occurred on December 22<sup>nd</sup>.**
- 3) Lower District 2's current debt burden of \$63.725 million (\$48.918 million in principal and \$14.807 million in accrued unpaid interest). The refinancing succeeded in lowering the District's debt burden from \$63.725 million to \$44.590 million, a decrease of over \$19 million (30% reduction) due primarily to debt forgiveness by the developer.**
- 4) Shift the financial burden of annual operations and maintenance to District 1, eliminating the operations and maintenance mill levy as soon as District 1 assessed valuation supports full payment of such expenses. Under the two growth cases examined by North Slope Capital, 2% and 6% biennial reassessment, the financial burden of annual operations and maintenance is expected to be shouldered solely by District 1 by the year 2020. This anticipated elimination of the 6 mill O&M levy for District 2**

## NORTH SLOPE CAPITAL ADVISORS

Base Village Metropolitan District No. 2

Page 2

**represents a reduction in the property tax mill levy assessed by District 2 of approximately 14% beginning in 2020.**

- 5) Achieve property tax savings (debt service and operations and maintenance) equal to or exceeding the Government Finance Officers' Association ("GFOA") minimum recommended savings target. The GFOA recommends present value savings, net of transactions costs, of more than 3% of the principal amount financed (or \$1.394 million in District 2's case). **Projected present value savings based on the final interest rates and bond sizing for Series 2016A and 2016B Bonds range from \$1.435 to \$5.598 million depending on the assumed biennial reassessment rate.**
- 6) Position District 2 for a potential future investment grade refinancing on the lower principal amount than would otherwise be outstanding on District 2's current course. **Without the refinancing and the developer debt forgiveness, District 2 would not likely have the potential for a future investment grade refinancing, due to an outstanding debt ratio above the acceptable threshold for investment grade debt. See goal #3 above.**

Feel free to contact North Slope Capital with any additional questions regarding the final Series 2016A and Series 2016B bond refinancing results at 303-953-4101, or by email to [steph@northslopecapital.com](mailto:steph@northslopecapital.com) and [nick@northslopecapital.com](mailto:nick@northslopecapital.com).

**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 Plaza Level Lobby in Capital Peak A Building

ADOPTED this 25<sup>th</sup> day of January, 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.]*